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Ontario

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First Session, 31st Parliament
Monday, June 27, 1977
Afternoon Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council and parliamentary assistants, appears as an appendix at the back of this issue.

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LEGISLATURE OF ONTARIO

Monday, June 27, 1977, being the first day of the first session of the 31st Parliament of the province of Ontario for the dispatch of business pursuant to a proclamation of the Hon. P. M. McGibbon, Lieutenant Governor of the province.

The House met at 2 p.m.

The Honourable the Lieutenant Governor, having entered the House, took her seat upon the throne.

Hon. Mr. Welch: I am commanded by Her Honour the Lieutenant Governor to state that she does not see fit to declare the causes of the summoning of the present Legislature of this province until a Speaker of this House shall have been chosen according to law, but today at a subsequent hour Her Honour will declare the causes of the calling of this Legislature.

Her Honour was then pleased to retire.

ELECTION OF SPEAKER

Clerk of the House: Members of the Legislative Assembly, it is my duty to call upon you to select one of your number to preside over your deliberations as Speaker.

Hon. Mr. Davis moved, seconded by Mr. S. Smith, that the member for Northumberland (Mr. Rowe) be the Speaker of this House.

Motion agreed to.

Clerk of the House: Are there any further nominations? I declare the nominations closed and declare the Hon. Russell Rowe duly elected Speaker of this House.

Mr. Speaker: Honourable members, please accept my humble thanks for the honour and responsibility you have given to me today. I am grateful to the Premier and to the Leader of the Opposition for moving and seconding my nomination and to all hon. members for placing their trust in me. I wish only to repeat what I said when I was elected Speaker of the 30th Parliament, that is, that I am mindful of my responsibility to protect the rights and privileges of each one of you.

In a few moments I will, on your behalf, address Her Honour the Lieutenant Governor, using the traditional words which have been used in this House and in other parliaments for centuries to reassert the rights of the representatives of the people of Ontario. In this House we value freedom of speech and the right of members to be heard and, as the guardian of that right, I promise to do my best to assure that all members will be heard in accordance with the rules of this House.

This House will now adjourn during pleasure.

The Honourable the Lieutenant Governor then re-entered the House and took her seat upon the throne.

Mr. Speaker: Order.

Hon. P. M. McGibbon (Lieutenant Governor): Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned to me. If, in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me and not to the assembly whose servant I am, and who through me, the better to enable them to discharge their duty to their Queen and country, hereby claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times and that their proceedings may receive from you the most favourable consideration.

Hon. Mr. Welch: Mr. Speaker, I am commanded by the Honourable the Lieutenant Governor to declare to you that she freely confides in the duty and attachment of the assembly to Her Majesty's person and government, and not doubting that the proceedings will be conducted with wisdom, temperance and prudence, she grants and upon all occasions will recognize and allow the constitutional privileges. I am commanded also to assure you that the assembly shall have ready access to Her Honour upon all suitable occasions and that their proceedings, as well as your words and actions, will constantly receive from her the most favourable construction.

SPEECH FROM THE THRONE

Hon. Mrs. McGibbon: Mr. Speaker and members of the Legislative Assembly, it is my pleasure to welcome you to the first session of the 31st Parliament of Ontario and to offer a special greeting to those who are commencing their first term as hon. members of this House.

My government rededicates itself to Ontario's continued progress, by which is meant not only the strength of our economic future, but also an increasing assurance of a balanced and more equitable society.

Le gouvernement entend se consacrer à nouveau au progrès continu de l'Ontario, ce par quoi il vise non seulement la vigueur de notre avenir économique, mais aussi l'assurance accrue d'une société toujours mieux équilibrée et plus juste.

On March 29, at the last Parliament, the government outlined an extensive program for consideration by the assembly. It remains pledged to that program and reaffirms that all necessary steps will be undertaken during the course of this session to ensure its adoption.

As matters of first priority, to be completed before the summer recess, you will be asked to approve legislation to require the construction of a French-language secondary school by the Essex County Board of Education, and also to give approval to the creation of the Ministry of Northern Affairs.

Amendments to The Environmental Assessment Act are necessary to enable the inquiry into proposed development north of the 50th parallel, to which Mr. Justice Patrick Hartt has already been named, to get under way.

[2:15]

Legislation will be reintroduced to establish province-wide single-trade bargaining in certain sectors of the construction industry.

Legislation is required to meet the deadline agreed to with the government of Canada for the conversion of speed limits and other related measurements to metric units.

In addition, you are asked to deal with all legislative measures required to implement the budget, presented by the Treasurer (Mr. McKeough) to the previous House on April 19.

During this and subsequent sittings, it is hoped that all members of this House will, in word and deed, strive to support a strong and viable Ontario within a prosperous and united Canada.

In four days' time, our nation will celebrate its 110th birthday. Over the next three days, at the invitation of the government of Ontario, hundreds of concerned Canadians are taking part in a forum on Canadian Destiny at York University. The real merits of such a conference lie in its capacity to meet with constructive dialogue the anxieties concerning the unity of our nation; in its recognition of the importance of keeping open the lines of communication among all Canadians; in its call to rediscover Canada.

Honourable members, my government endorses the traditional right of this House to the expression of differing points of view on ways to resolve the issues facing our province. At the same time, I have every confidence that the matters demanding your attention during this session can be met in a truly co-operative spirit and with loyalty and devotion to the interests of the citizens whom you represent here.

I therefore leave you to the discharge of these responsibilities.

In our Sovereign's name, I thank you.

God bless the Queen and Canada.

Prayers.

Mr. Speaker: To prevent mistakes, I have obtained a copy of Her Honour's speech, which I will now read.

(Reading dispensed with.)

EDWARD ZIEMBA

Mr. Speaker: I beg to inform the House that I have received the following letter. It is dated June 27, 1977, and addressed to the Hon. R. D. Rowe, Speaker of the Legislative Assembly of Ontario, Parliament Buildings, Toronto, Ontario, and Roderick Lewis, Esquire, QC, Clerk of the House, Parliament Buildings, Toronto, Ontario.

"Dear Sirs:

"Re: Edward Ziemba.

"I understand that Edward Ziemba is a member of the Legislative Assembly. I wish to advise that pursuant to the provisions of the Criminal Code, section 472, I did on the 23rd day of June, 1977, commit Edward Ziemba to prison by a warrant in Form 16 for a period not to exceed eight days—"

Some hon. members: Shame.

Mr. Speaker: "—to be brought before me on the 29th day of June, 1977, at 10 a.m.

"Yours very truly,

"Robert Dnieper,

"Provincial Judge."

ESTIMATES

Hon. Mr. Auld: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor, signed by her own hand.

Mr. Speaker: By her own hand, P. M. McGibbon, the Honourable the Lieutenant

Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1978, and recommends them to the Legislative Assembly, Toronto, June 27, 1977.

Hon. Mr. McKeough moved that this House approves in general the budgetary policy of the government.

BUDGET STATEMENT

Hon. Mr. McKeough: Mr. Speaker, two months have passed since I introduced my budget on April 19. During this period my ministry has closely monitored the performance of the economy and of our provincial finances. After carefully reviewing this information, I have concluded that the 1977 Ontario budget, as proposed, is a sound and effective fiscal and economic plan of action for the year ahead.

Mr. Cassidy: Shame. Nonsense.

Hon. Mr. McKeough: As the members will recall--

Mr. Lewis: Resign.

Mr. Deans: Call the election.

Mr. Speaker: Order, please. The hon. Treasurer has the floor.

Hon. Mr. Davis: I thought we were not to be provocative today.

Mr. Warner: Resign, resign.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Kerr: It put you in third place.

Hon. Mr. McKeough: As the members will recall, the main dimensions of the budget plan were as follows:

An expenditure increase of nine per cent; tax cuts of $201 million; and tax increases of $209 million, for a small net revenue gain of $8 million; a reduction in the budgetary deficit of $287 million; a reduction in net cash requirements of $311 million; and a capacity to balance the Ontario budget by 1981.

Interjections.

Hon. Mr. McKeough: This budget plan will slow the growth in government and free up resources for the private sector. It will add stability to the economy by stimulating employment, easing inflationary pressures and restoring confidence. Implementation of the budget measures is vitally important to the health of our economy and to our revenues. Altogether, there were 14 budget bills before the Legislature at the time of dissolution. These bills have been amended where necessary and will be reintroduced at the appropriate time this afternoon.

Mr. Speaker, I continue to be optimistic about the prospects for the Ontario economy in 1977.

Mr. Cassidy: Nobody else is.

Mr. Sargent: So is Bill Davis.

Hon. Mr. Davis: I'm always an optimist.

Hon. Mr. McKeough: Reports on the current performance of the Canadian and Ontario economies have strengthened my confidence that we will attain real growth in Ontario of close to five per cent in 1977. National accounts statistics issued last week indicate recovery of real economic growth in Canada during the first quarter at an annual rate of 5.4 per cent.

Businessmen, large and small, are showing a good deal more confidence in our future, and this confidence can be expected to be translated into investment, increasing job opportunities and rising real incomes over the next year. During the first quarter, real business capital spending on plant, machinery and equipment showed stronger growth than many forecasters had anticipated.

I am particularly encouraged by the improvement in activity in our manufacturing industries. A sharp increase in our exports to the United States and a steady improvement in our trade position are encouraging signs that government policies aimed at improving the competitive position of our industries are having their effect. In the auto sector, for example, the value of our vehicle shipments is up nearly 21 per cent, and the value of automotive parts exports is up by 24 per cent.

The improvement in the performance of our key manufacturing industries has had a real and positive effect on employment. In the first five months of this year, employment on a seasonally adjusted basis in Ontario has grown by 88,000 jobs. This growth represents the creation of more new jobs than the total for the rest of Canada combined. Moreover, these are real jobs provided by private employers, a continued reflection of the positive impact of restraint in public sector spending and growth.

Mr. Warner: Too bad nobody believes you--300,000 out of work.

Hon. Mr. McKeough: Mr. Speaker, significant levels of unemployment still exist in Ontario. High levels of unemployment are concentrated among the young, often those with no skills and little experience.

Mr. Warner: You can't do anything about it.

Mr. Cassidy: You're damn right.

Hon. Mr. McKeough: The government will neither minimize that fact, nor ignore the

plight of those who are unable to find work. We are faced with a rapid growth in our labour force unprecedented in the western world.

Although Ontario unemployment in May remained high at 7.3 per cent, down slightly from the 7.4 per cent peak in April, this was attributable entirely to many more people than expected entering the labour force.

Mr. Martel: Just change the figures again.

Hon. Mr. McKeough: As a consequence, I have had to revise upwards my forecast of average unemployment for the year to 6.7 per cent.

Mr. Lewis: Why don't you revise your definition of full employment?

Hon. Mr. McKeough: I believe that the performance of the Ontario economy in creating real job opportunities since December—

Mr. Warner: You should join the unemployed.

Hon. Mr. McKeough: —indicates the wisdom of our plan to stimulate the economy in ways other than by government spending. Special programs are required to deal with special problems. We have taken the initiative to deal with the critical problem of youth unemployment in Ontario this summer with the youth employment program.

Mr. Mackenzie: You take them on while you fire the regular employees.

Hon. Mr. McKeough: I am particularly pleased with the success of this program. To date, 10,178 applications from Ontario businesses and farms have been approved under this program.

Mr. Mackenzie: How many did they fire?

Hon. Mr. McKeough: With an average of two jobs for each application, this has already created 20,000 new summer jobs at a public cost of about $10 million. I expect this strong performance to continue through the summer and I am confident that the impact of this and other youth-oriented job creation initiatives of this government will be reflected in an improved job picture for Ontario's young people. Our program to increase employment in the construction trades through the expansion of government capital projects, including Ontario Hydro, is also moving ahead.

Over the past year and a half we have made significant progress in reducing the rate of inflation in Canada. At the same time, the real incomes of Ontario's citizens have steadily improved. It would be foolish for us to sacrifice the gains we have made for what would necessarily be short-lived improvement in growth and a resurgence of inflation, followed by an inevitable loss of jobs.

[2:30]

During the 20 months of operation of the anti-inflation program, there has been a significant moderation in the rate of increase of consumer prices. This overall improvement has been achieved despite the performance of food and import prices, which are not controlled. Volatile weather conditions have contributed to food price increases that have accounted for 44 per cent of the consumer price index increase to date in 1977, and currency depreciation has made imported goods more costly. These price trends have made it unlikely that the second-year anti-inflation program target of a six per cent rate of increase in consumer prices will be achieved. Nevertheless, there has been substantial success in containing the domestic sources of inflation.

In parallel with this price moderation, wage settlements in Ontario have also moderated, and fewer negotiated settlements are above the guidelines set by the Anti-Inflation Board. Profit margins continue below allowable levels under anti-inflation program regulations.

A major danger to Ontario's competitiveness still exists through the accumulation of cost increases in Canada above those in the United States. Though the gap is beginning to close, wage settlements negotiated in Ontario during the first quarter of 1977 are still above comparable settlements in the United States. Market pressures on wages and prices are helping to restrain increases and the lower international value of the dollar is offsetting some part of our legacy of uncompetitive cost increases in the past. But we cannot take for granted that these market forces will be an adequate guarantee against renewed inflation. We require a continuing commitment to the longer-term fight against inflation in Ontario.

In this regard, we are looking for the termination of the national anti-inflation program but only when an effective post-control, anti-inflationary strategy has been put in place. Discussions are now taking place with all segments of Ontario society.

Mr. Cassidy: That is not what Joe Clark is saying.

Hon. Mr. McKeough: The federal government is also attempting to determine the dimensions and requirements of such a strategy. These consultations will continue

in earnest over the next few weeks and months.

We have established the groundwork for these discussions in the outline of the options and the statement of Ontario's position on decontrol in the 1977 Ontario budget. The comprehensive analysis in budget paper D, entitled The Anti-Inflation Program: Decontrol and Post-control, now serves as a major reference source and, along with the federal government's recently released paper on decontrol, will assist in shaping the strategy which is finally adopted.

The April 19 budget proposed a number of important tax changes. These actions are necessary to raise revenues as well as to stimulate important sectors of the economy. I am providing, for the information of the members, an updated tax appendix containing details of the current status of the tax changes as reflected in the bills which I am reintroducing today. I would now like to discuss them briefly.

There will be no change in the effective dates for any of the proposed tax decreases. Accordingly, Ontario citizens will benefit in full from these important tax cuts.

The enrichment in Ontario's personal income tax reduction, to ensure that tax filers with less than $1,680 of taxable income are free of income tax, will be effective for the full 1977 taxation year.

The changes proposed to the retail sales tax will all be retroactive to midnight, April 19, 1977. These measures include an increase in the exemption for prepared meals from $5 to $6; a new exemption for certain disposable items purchased by the hospitality industry; an extension of the exemption for thermal insulation materials to all buildings; a new exemption for certain other energy-conserving materials and equipment such as heat recovery units, heat pumps and solar cells; and an increase from 75 cents to $3 in the exemption from sales tax on the price of admission to places of amusement.

There were three incentives proposed to assist small business in Ontario. First, increased compensation will be paid to retail vendors and tobacco tax collectors; compensation will increase from three to four per cent of tax collected, and the maximum will rise from $500 to $700, retroactive April 1, 1977.

Second, to greatly simplify tax compliance by owners of small businesses, I proposed a flat tax of $50 on corporations with paid-up capital of up to $50,000, and a tax of $100 on corporations with paid-up capital between $50,000 and $100,000. This bill will be reintroduced, retroactive for fiscal years ending on or after April 20, 1977.

Third, I am reintroducing The Venture Investment Corporations Registration Act. In conjunction with the corporation tax provisions to be introduced in the fall, this will allow implementation of this innovative small business incentive by January 1, 1978.

The doubling in the annual exemptions for purposes of gift tax to $10,000 per recipient and $50,000 per donor will be reintroduced as originally proposed, effective January 1, 1977. The increase to $300,000 in the basic level below which no succession duty is payable and the crediting of capital gains tax against succession duty will be reintroduced with several minor changes of a technical nature. These beneficial amendments to The Succession Duty Act will be retroactive in respect of deaths occurring on or after April 20, 1977.

To encourage the flow of productive foreign investment into the province, the budget proposed a substantial amendment to the land transfer tax in respect of the treatment of non-resident individuals and corporations. This bill is being reintroduced, unchanged, effective April 20, 1977. Briefly, it proposes that the 20 per cent rate of tax apply only on non-resident purchases of agricultural and recreational land. In addition, the land speculation tax bill will be reintroduced with an important change. While the proposal to shorten the holding period for investment properties from 10 to five years is unchanged, I am withdrawing the proposed change in respect of farm properties and replacing it with a better and simpler one.

Recognizing that bona fide farmers are not property speculators—

Mr. Sargent: Are you sure you're not giving any more $2-million exemptions?

Hon. Mr. McKeough: —I am now proposing that any farmer who owns and actively farms a property for any period of more than 10 years will be free to sell his farm at the time of his choice without incurring any liability for speculation tax. There will also be a provision for the proportionate reduction in taxable value where a farmer owns and operates a farm for a period of 10 years or less. The impact of these changes, which will be retroactive to April 20, is such that virtually all bona fide farmers will be free of land speculation tax.

To close my discussion of tax decreases, I will simply note that the changes to The Corporations Tax Act proposed in the 1977 budget have not been altered. Legislation

and regulations affecting the taxation of oil and gas income, the fast write-off for manufacturing and processing assets and the three per cent inventory allowance, will be reintroduced as proposed in the budget, including the effective dates.

The revenue impact of the changes to the tax cuts proposed in the budget are minimal. The government will absorb a $25-million revenue loss as a result of the delay in implementing some of the tax increases proposed in my April 19 budget. Consequently, I now estimate that the tax increases will yield $184 million in 1977-78.

Mr. Cunningham: It was an expensive election.

Hon. Mr. McKeough: There are three changes in the bills to be reintroduced.

First, I am proposing that the tobacco tax increase, which was withdrawn on dissolution of the Legislature, be reintroduced in its entirety, effective midnight this day. Full details of the tobacco tax increase are contained in the tax appendix. I would remind members that effective July 1, the tax on cut tobacco will be calculated on the new metric basis rather than by using the old and venerable avoirdupois system.

Mr. Reid: You got it right that time.

Hon. Mr. McKeough: Wholesalers will be required to declare their cigarette, cigar and tobacco inventory as of midnight today and to remit tax on such inventories as directed by the Ministry of Revenue. To minimize the inconvenience and work to retailers, they will be required to declare only their cigarette inventories as of midnight today. I would like to take this opportunity to thank both wholesalers and retailers of tobacco for their patience and understanding. Their kind co-operation under very difficult circumstances is very much appreciated.

Second, the five-cent tax on canned carbonated soft drinks will be reintroduced by my colleague, the Minister of Revenue (Mrs. Scrivener), with an effective date of August 1, 1977.

An hon. member: You just don't understand, Darcy.

Hon. Mr. McKeough: This environmental tax is necessary to complement the ban on non-returnable bottles which takes effect on April 1, 1978. This tax will be imposed on the purchaser, but, for administrative convenience, will be collected by the manufacturer or importer. Retail sales tax will apply to the total price of canned soft drinks inclusive of the environmental tax. As well, all businesses dealing in canned carbonated soft drinks—including bottlers, wholesalers, distributors and retailers—will be required to declare their inventories as of August 1, 1977, and to remit the environmental tax on such inventories, as directed by the Ministry of Revenue.

Third, I am now proposing that the change in The Motor Vehicle Fuel Tax Act requiring the registration of all sellers and distributors of middle distillate fuels be put back from July 1 to September 1, 1977. This change is incorporated in the revised bill.

The bill increasing the paid-up capital tax for large corporations will be reintroduced as proposed.

Motor vehicle registration fees will also be increased as originally proposed, and fees for passenger cars and motorcycles will be reduced to a flat $10 in northern Ontario. The definition for northern Ontario has been broadened to include the district of Parry Sound and that part of Nipissing district north and west of Algonquin Park.

Mr. Reid: How about half-tons?

Mr. Lawlor: How about Lakeshore?

An hon. member: What about Muskoka?

Hon. Mr. McKeough: In concluding this review of the status of tax changes, I should perhaps also note—

Mr. Warner: Why don't you conclude by resigning? This is ridiculous.

Hon. Mr. McKeough: —that the conversion of the rate of the provincial income tax for 1977, resulting from the new federal-provincial fiscal arrangements, remains as detailed in the budget.

The interim estimates for the 1976-77 fiscal year published in the budget were based on actual performance to the end of February. Final results for last year are now available and I am pleased to report considerable improvement from the interim estimates. Net cash requirements were $70 million below interim as the government's expenditure restraint program forced out extra savings in the final month of the fiscal year. In fact, 1976-77 expenditures were $99 million below the interim estimates shown in the 1977 budget and the growth rate dropped to 10.1 per cent. This improvement means that the expenditure growth rate for last year was 33 per cent lower than that recorded in 1975-76 and 59 per cent lower than 1974-75. Revenue growth in 1976-77, on the other hand, turned out to be less than I expected.

Consequently, I have revised downwards by $108 million my revenue forecast for 1977-78—

An hon. member: Too much.

Hon. Mr. McKeough: —reflecting the lower 1976-77 base and the $25 million loss because of delays in implementing tax increases.

Mr. Breithaupt: Because of the election.

Hon. Mr. McKeough: The Management Board will be identifying expenditure savings and constraining the 1977 estimates to cover this shortfall in our revenues. The greater-than-anticipated savings from our restraint program in 1976-77 provides a good headstart on this process. This action by the board, in co-operation with all ministries, will keep the expenditure growth rate target at nine per cent for 1977-78, and hold the province's net cash requirements to the budget forecast of $1,077 million.

Mr. Sargent: Is that give or take $1½ million?

Hon. Mr. McKeough: Our 1977 cash needs are well within the capacity of the province to finance from non-public sources. Consequently, I reiterate the statement I made in my budget by saying, once again, that the province will not need to borrow in the public capital markets on its own account in this fiscal year.

[2:45]

The government's budget plan for 1977 implements a fiscal policy appropriate to the needs of the Ontario economy and makes wise use of our financial resources. The economic outlook is steadily improving, assisted by the built-in fiscal stimulus in excess of $1 billion that I documented in my budget statement, by lower interest rates and by recovery of the economy of the United States.

I believe this recovery trend will continue throughout the year and into 1978. I will be monitoring the situation closely, and I am prepared to consider supplementary actions to stimulate the economy in selective areas if necessary.

This government of Ontario's record of achievement in fiscal and economic policy is second to none. In 1971, and again in 1975—

Mr. Conway: How about the trees, Darcy?

Hon. Mr. McKeough: —Ontario led the way in Canada in the early and timely implementation of expansionary fiscal policies to stimulate economic growth and to create the greater number of new job opportunities our people demand.

Mr. Breithaupt: Each election year.

Mr. Warner: Tell that to the 300,000 out of work.

Hon. Mr. McKeough: We have shown equally good judgement in recognizing the threat of inflation and in bringing forward policies to protect our high standard of living and enhance our bountiful opportunities.

(Applause)

Mr. Nixon: You new guys better learn to applaud better than that.

Mr. Cassidy: Not a word have you said about the unemployed.

Hon. Mr. McKeough: Through firm application of our sound management practices we have imposed a greater measure of expenditure restraint than any other jurisdiction in Canada. We have reduced absolutely the number of our civil servants.

Mr. Cassidy: Tell that to the unemployed.

Hon. Mr. McKeough: Because of this success—

Mr. Cassidy: It's a failure, not a success.

Mr. Speaker: Order, order.

Hon. Mr. McKeough: Because of this success, I continue to look forward to a balanced budget by 1981.

Mr. Speaker: The hon. Leader of the Opposition.

(Applause)

Mr. S. Smith: After that introduction, tempting as it is I am rising, Mr. Speaker, only to move the adjournment of this debate.

On motion by Mr. S. Smith, the debate was adjourned.

INTRODUCTION OF BILLS

UNIFIED FAMILY COURT AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of Bill 1, An Act to amend The Unified Family Court Act, 1976.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, this bill is in the nature of housekeeping amendments to The Unified Family Court Act, 1976, which this House passed at the conclusion of the 1976 session and which comes into force July 1. It is made necessary by the postponement of passage of the family law reform bill, which has twice been before this House.

The unified family court is to have jurisdiction over all family law matters in Hamilton-Wentworth for a three-year demonstration project. This bill adds the existing law of alimony, property and summary support remedies, which we had hoped would be replaced by The Family Law Reform Act before the court began hearing cases. The bill also contains transitional provisions that would have been included in The Family Law Reform Act.

I hope the House will give speedy passage to this bill, as these measures are absolutely

vital to the proper functioning of the court when it opens its doors next Monday. With the passage of this legislation, I am confident the unified family court will show it is the court of the future for the prompt resolution of family disputes in one forum and in a non-adversarial setting.

ENVIRONMENTAL ASSESSMENT AMENDMENT ACT

Hon. Mr. Kerr moved first reading of Bill 2, An Act to Amend The Environmental Assessment Act, 1975.

Motion agreed to.

Hon. Mr. Kerr: Mr. Speaker, this amendment to The Environmental Assessment Act is essentially the same item that was introduced in the last session and became Bill 59. I would refer the hon. members to Hansard of April 26, 1977, at which time I gave a statement outlining the purpose of the amendment. Subsequently, I also tabled a compendium of background information with the leaders of both opposition parties, as well as the Clerk of the House. I have additional copies of this material if they are required now.

ESSEX COUNTY FRENCH-LANGUAGE SECONDARY SCHOOL ACT

Hon. Mr. Wells moved first reading of Bill 3, An Act to require the Essex County Board of Education to provide a French-Language Secondary School.

Motion agreed to.

Interjections.

Mr. Mancini: You were going to give them camping sites.

Mr. Speaker: Order, please.

Hon. Mr. Wells: Mr. Speaker, this Act is designed to ensure the construction of a French-language secondary school in Essex county. It's similar to the bill that was introduced a few months ago, with the addition of a few clauses.

Mr. Sweeney: Whether it's needed or not.

Hon. Mr. Wells: It's needed.

SUCCESSOR RIGHTS (CROWN TRANSFERS) ACT

Hon. Mr. Auld moved first reading of Bill 4, An Act to provide for Successor Rights and the Transfer of an Undertaking to or from the Crown.

Motion agreed to.

Mr. Speaker: Order, please. Was there a statement with that bill?

Hon. Mr. Auld: Mr. Speaker, simply to say that it's the same bill that was introduced in the last House.

INCOME TAX AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 5, An Act to amend The Income Tax Act.

Motion agreed to.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 6, An Act to amend The Ontario Unconditional Grants Act, 1975.

Motion agreed to.

SUCCESSION DUTY AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 7, An Act to amend The Succession Duty Act.

Motion agreed to.

ONTARIO LOAN ACT

Hon. Mr. McKeough moved first reading of Bill 8, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Motion agreed to.

VENTURE INVESTMENT CORPORATIONS REGISTRATION ACT

Hon. Mr. McKeough moved first reading of Bill 9, An Act respecting the Registration of Venture Investment Corporations.

Motion agreed to.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 10, An Act to amend The Tobacco Tax Act.

Motion agreed to.

ONTARIO YOUTH EMPLOYMENT ACT

Hon. Mr. McKeough moved first reading of Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Motion agreed to.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 12, An Act to amend The Retail Sales Tax Act.

Motion agreed to.

LAND TRANSFER TAX AMENDMENT TAX

Hon. Mrs. Scrivener moved first reading of Bill 13, An Act to amend The Land Transfer Tax Act, 1974.

Motion agreed to.

LAND SPECULATION TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 14, An Act to amend The Land Speculation Act, 1974.

Motion agreed to.

[3:00]

CORPORATION TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 15, An Act to amend The Corporation Tax Act, 1972.

Motion agreed to.

GIFT TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 16, An Act to amend The Gift Tax Act, 1972.

Motion agreed to.

MOTOR VEHICLE FUEL TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 17, An Act to amend The Motor Vehicle Fuel Tax Act.

Motion agreed to.

ENVIRONMENTAL TAX ACT

Hon. Mrs. Scrivener moved first reading of Bill 18, An Act to impose a Tax on Certain Pollutants of the Environment in Ontario.

The House divided on the motion, which was approved on the following vote:

Ayes	Nays
Ashe	Bounsall
Auld	Breaugh
Baetz	Bryden
Belanger	Cassidy
Bennett	Charlton
Bernier	Cooke
Birch	Davidson, M.
Blundy	Davison, M.
Bolan	Deans
Bradley	Di Santo
Breithaupt	Dukszta
Brunelle	Foulds
Campbell	Germa
Conway	Grande
Cunningham	Laughren
Cureatz	Lawlor
Davis	Lewis
Drea	Lupusella
Eakins	MacDonald
Eaton	Mackenzie
Edighoffer	Makarchuk
Elgie	Martel
Epp	McClellan
Gaunt	Philip
Gregory	Renwick
Grossman	Swart
Haggerty	Warner
Hall	Young—28.
Handleman	
Havrot	
Henderson	
Hennessy	
Johnson	
Jones	
Kennedy	
Kerr	
Kerrio	
Lane	
Leluk	
Maeck	
Mancini	
McCaffrey	
McCague	
McEwen	
McGuigan	
McKeough	
McKessock	
McMurtry	
McNeil	
Miller, G.I.	
Miller, F.S.	
Newman, W.	
Newman, B.	
Nixon	
Norton	
O'Neil	
Parrott	
Peterson	
Pope	
Reed, J.	
Reid, T.P.	
Rhodes	
Riddell	
Rollins	
Rotenberg	
Ruston	
Sargent	
Scrivener	
Smith, S.	
Snow	
Stephenson	
Sterling	
Stong	
Sweeney	
Taylor, J.A.	

Ayes

Taylor, G.
Timbrell
Turner
Van Horne
Villeneuve
Walker
Welch
Wells
Williams
Wiseman
Worton—86.

Ayes 86; nays 28.

Motion agreed to.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 19, An Act to amend The Highway Traffic Act.

Motion agreed to.

MOTORIZED SNOW VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 20, An Act to amend The Motorized Snow Vehicles Act, 1974.

Motion agreed to.

Hon. Mr. Snow: In conformity with undertakings between the federal government and all the provinces, this amendment to The Highway Traffic Act which I have just introduced will convert to metric units the speed limits and distance provisions in that Act, effective September 1, 1977. Also, the amendments to The Motorized Snow Vehicles Act which I have just introduced will convert to metric units speed limits in that Act consistent with the comparable amendments made in The Highway Traffic Act.

MINISTRY OF NORTHERN AFFAIRS ACT

Hon. Mr. Bernier moved first reading of Bill 21, An Act to establish the Ministry of Northern Affairs.

Motion agreed to.

Mr. Breithaupt: This is signed by his own hand.

Mr. Foulds: Is this the second time or the first time?

[3:45]

Hon. Mr. Bernier: On April 7, as the members will recall, the Premier (Mr. Davis) introduced the bill to establish the Ministry of Northern Affairs. Soon after that the election was called and it was impossible for the bill to receive second reading.

It is now my pleasure to introduce this bill which contains substantially the same provisions. In the interests of time my statement is included in the compendium of information and background material I've given to the opposition members. We'll carry on with second reading, and follow it from there, with the full support of all members of the House I'm sure.

Mr. Deans: That will be a joy to read—good bedtime reading.

LABOUR RELATIONS AMENDMENT ACT

Hon. B. Stephenson moved first reading of Bill 22, An Act to amend The Labour Relations Act.

Motion agreed to.

Mr. Laughren: Where is your omnibus bill?

Mr. S. Smith: The Minister of Energy (Mr. J. A. Taylor) knows what he is seconding there, does he? Did she read it to him?

Hon. B. Stephenson: Mr. Speaker, this bill again establishes province-wide-single-trade bargaining in the industrial, commercial and institutional sector of the construction industry. The members of this House will recall that a similar bill, called Bill 14, was presented for their consideration in the last session of the Legislature but was not passed before the House was dissolved.

Mr. Cunningham: The last day.

CHILDREN'S SERVICES ACT

Hon. Mr. Norton moved first reading of Bill 23, An Act to provide for the Transfer of Services relating to Children.

Motion agreed to.

Mrs. Campbell: Where's the background material?

Mr. Lewis: Resume. Your voice is even better closer—nice resonance.

Mr. Conway: Are you running, Keith?

Mr. Eakins: Move your seat up here.

Mr. Martel: I thought that was a transfer of power.

Hon. Mr. Norton: Mr. Speaker, the purpose of this bill is to effect the transfer of responsibility for the administration of certain services relating to children to the Ministry of Community and Social Services. The proposal to consolidate services for children was announced in the Speech from the Throne, and on April 4, 1977, the Provincial Secretary for Social Development (Mrs. Birch) and I announced the purpose of

the consolidation, the basic principles and the programs to be transferred. The compendium for this bill will be the same as that used in April.

At the present time, responsibility for the administration of The Children's Mental Health Centres Act and The Children's Mental Hospitals Act is assigned to the Minister of Health; the Minister of Correctional Services administers The Training Schools Act; the Attorney General administers The Provincial Courts Act and The Unified Family Court Act. This bill will transfer responsibility for administering each of the Acts in its entirety, with the exception of The Provincial Courts Act. The following sections of The Provincial Courts Act will be transferred: sections 21 to 23 which relate to the establishment and operation of detention and observation homes and diagnostic clinics, and section 28(1)(g) which provides authority to make regulations governing the function and providing for the management of those places. From The Unified Family Court Act, section 17(i) which relates to observation and detention homes will be transferred.

I will be giving a statement providing further details on the implementation plan for this consolidation later in the week.

PERSONAL PROPERTY SECURITY AMENDMENT ACT

Hon. Mr. Handleman moved first reading of Bill 24, An Act to amend The Personal Properties Security Act.

Motion agreed to.

Mr. Sargent: To have beer in the ballpark —Davis is chicken.

Hon. Mr. Rhodes: There is an ample supply in your office, Eddie.

RYERSON POLYTECHNICAL INSTITUTE ACT

Hon. Mr. Parrott moved first reading of Bill 25, An Act respecting Ryerson Polytechnical Institute.

Motion agreed to.

Hon. Mr. Parrott: The purpose of this bill is to establish a new governing structure for Ryerson Polytechnical Institute. The size of the board of governors is being increased from 13 to 23. An academic council to oversee educational policy at the institute is being established.

Mr. Conway: Sounds like a socialist plot.

Hon. Mr. Parrott: This bill is based upon a report received from the board of Ryerson and in addition, consultation has taken place with all elements of the Ryerson community.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Hon. Mr. Welch moved first reading of Bill 26, An Act to amend The Legislative Assembly Act.

Motion agreed to.

Hon. Mr. Welch: This makes some adjustments in this legislation, which have already been agreed to by the Board of Internal Economy, dealing with mileage allowances and some allowances for accommodation.

Hon. Mr. Rhodes: You can drive to the Sault now, Stuart.

ONTARIO HUMAN RIGHTS CODE AMENDMENT ACT

Mr. B. Newman moved first reading of Bill 27, An Act to amend the Ontario Human Rights Code.

Motion agreed to.

Mr. B. Newman: The purpose of this bill is to prevent discrimination on the basis of a physical handicap where the handicap does not prevent the performance of the particular employment. In the legislation "physical handicap" means a physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect or illness and includes epilepsy and any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a seeing-eye dog, wheelchair or other remedial appliance or device.

Mr. S. Smith: Or being a Tory.

LEADER OF THE OPPOSITION

Mr. Speaker: I beg to inform the House that Mr. S. Smith, the member for Hamilton West, is recognized as Leader of Her Majesty's Loyal Opposition.

(Applause).

Mr. Reid: Strangely quiet down there.

THRONE SPEECH DEBATE

Hon. Mr. Welch moved that the House hereby resolves to dispense with the customary address in reply to the Speech from the Throne and the formal debate thereon.

Motion agreed to.

PRIVATE BILLS

Hon. Mr. Welch moved that the fees paid by applicants for private bills in the fourth session of the 30th Parliament be applicable for the continuation of those applications in the first session of the 31st Parliament.

Mr. Peterson: Who are those payable to?

Motion agreed to.

DEPUTY SPEAKER AND DEPUTY CHAIRMAN

Hon. Mr. Welch moved, seconded by Mr. Breithaupt, that the member for Perth (Mr. Edighoffer) be appointed Deputy Speaker for this Parliament and that the member for Simcoe East (Mr. G. E. Smith) be appointed Deputy Chairman of committees of the whole House for this session.

Motion agreed to.

Mr. Reid: It's easier to say Speaker than Edighoffer.

NOTICE OF MOTION No. 1

Hon. Mr. Welch moved resolution No. 1.

Hon. Mr. Welch: If I might just make one or two comments: That motion puts in operation the rules we were working on at the end of the last Parliament. If members would take a look at their proceedings, at item No. 1 in the order of business for the day, under notices, I think we'll have to have some general understanding amongst us, particularly with reference to rules 17 and 19. In order to accommodate the expeditious carriage of the legislation which has been introduced, we might have to have some understanding that the time frames that rules 17 and 19 call for might have to be amended on unanimous consent.

Rather than attempting to make some special provisions for this special summer session and then reintroducing them again, we have simply brought in these new rules in their former language. I do draw attention to the fact that there will have to be some accommodation with respect to rules 17 and 19 with respect to the amount of time. I would also draw attention to rule 20 as to how important it will be that we have notice of amendments in plenty of time to respect both the letter and the spirit of that particular rule.

Mr. Conway: Does that apply to letters of no confidence?

Hon. Mr. Welch: They're now mimeographed.

Mr. Speaker: I also inform the House that the Clerk has laid upon the table the roll of the members elected at the general election of 1977. May I express to each of you, both those who are returning and those who are here for the first time, my personal congratulations.

ORDERS OF THE DAY

EDWARD ZIEMBA

Mr. Speaker: In accordance with standing order 30, the member for Scarborough West (Mr. Lewis) has given notice that he intends to move that the ordinary business of the House be set aside to discuss a matter of urgent public importance.

Hon. Mr. Welch: Mr. Speaker, I understand the Attorney General has a statement covering this.

Mr. Speaker: I recognize the hon. Attorney General.

Hon. Mr. McMurtry: Mr. Speaker, as members of the Legislature are aware, the duly elected member of this assembly for the riding of High Park-Swansea (Mr. Ziemba) has been committed to jail under provisions of the federal Criminal Code. The member refused to obey the order of a court to disclose the source of information he obtained in relation to a criminal proceeding involving a medical laboratory and the Ontario Health Insurance Plan.

The information the member has refused to give the court has been ruled relevant to the defence in the case, both by the presiding provincial court judge and the Supreme Court of Ontario. This matter has prompted much comment by members of the Legislature, the media and the public. It has further been a subject of discussions I have had with senior members of my ministry late last week and throughout the weekend.

In reference to the specific matter involving the member for High Park-Swansea, I have several comments. All members and the general public should understand that this is essentially a matter between the member for High Park-Swansea and the court that has jurisdiction over the case. Nevertheless, it is a matter of serious concern to me, and I'm sure to all members, that a member of the Legislature is in jail. At the same time, I want to point out and to stress that there were and still are remedies open to the member to deal with his predicament. [4:00]

The preliminary hearing of the case in question began on January 4 of this year and later in January the member first refused to answer a question put to him by counsel for the defence. On March 23, the question

of his refusal was before the Supreme Court of Ontario and on April 12, that court ruled that the question was relevant to the proper conduct of the defence in the preliminary hearing. On May 13, the member was again asked to answer the question at the preliminary hearing and again cautioned about the consequences or possible consequences of his refusal. The matter was put over to June 23 when the member continued his refusal to abide by the direction of the court. He was then committed to jail.

Throughout the sequence of events and at the present time the member has, and has had, several legal options open to him in this regard. He could have appealed the Supreme Court decision and he could have applied for a writ of habeas corpus to obtain his release pending a judicial review of the matter. He has chosen not to avail himself of these opportunities and so remains in jail; but from his jail cell he has made comments urging me as the Attorney General to intervene on his behalf.

My duty as the Attorney General is of course to continue to recognize the rights of the accused persons before the court in this matter, as well as the highly publicized predicament of the member for High Park-Swansea. This particular case undoubtedly does pose a dilemma for me.

As Attorney General, I am responsible for the prosecution of the laboratory and two of its principals who are before the court in this case. I feel that to intervene on behalf of the member for High Park-Swansea and in effect against the people that my own agents are prosecuting could be seen to be both improper and unfair. I am therefore very reluctant to take any step that would interfere, or would be perceived as interfering, in the proper conduct of the defence in this case. I have also taken note of reports that the member for High Park-Swansea has instructed his own lawyer not to take action in court to seek his early release from jail pending a further ruling on the matter. I have had no contact with the member or his lawyer, and any Attorney General would always be very concerned in any event about the propriety of intervening and possibly interfering with the course of justice.

There can also be no doubt that one of the duties of the member for High Park-Swansea, as both a witness and a citizen, is to abide by the law. He has in these circumstances chosen not to. He is now using his situation to try to mobilize public opinion to effect a change in law giving an extended privilege to members of the Legislature. It has occurred to me that one of his duties as a member would have been to try to clarify this situation by taking all avenues open to him in the legal process. That procedure would have been in the best interests of all members of the Legislature in helping us carry out our responsibilities as representatives of the public within the limits of law.

Nevertheless, this matter has given rise to questions about legislation to extend the privilege of members to include the right to keep confidential the sources of information brought to us in the performance of our duties by members of the public. There is little or no experience in other jurisdictions to assist us in this regard.

Within the Canadian common law provinces legislation, where it exists on the matter of a member's privilege, tends to follow almost exactly the approach taken in Ontario's existing legislation. Generally speaking, a clear distinction is drawn between civil and criminal matters and legislative or common law protections extend only to civil matters. None of the law reform commissions appear to have dealt with this issue and no other jurisdiction is known to have legislation similar to what is being suggested by some members opposite. There are also serious doubts whether Ontario could legally pass such legislation that would delve into the criminal law, a federal responsibility.

In addition, this assembly should seriously consider the wisdom of granting to politicians rights before the criminal courts that are not enjoyed by the general public. It is a basic principle that no man, even an elected representative, should be above the rule of law.

I should also like to put the question of a member's privilege or protection or immunity in the wider context of the rules which the courts have, over the centuries, laid down for the protection of the channels of communication by which the detection of crime is brought to the attention of law enforcement officials. A strong stream of judicial authority affords a limited protection from disclosure in relation to the existence, source and contents of communications made by an informer to a law enforcement official regarding the alleged commission of a criminal offence.

The cases hold that this protection or privilege exists on account of the importance to the public that those persons who are channels for the detection and prosecution of crime should receive protection against unnecessary disclosure. However, the courts, in asserting that protection against unnecessary disclosure, have very strongly held that disclosure will be compelled if necessary to assert the innocence of the accused or is otherwise truly

necessary to the investigation of the truth of the case.

One eminent judge asserted the general principle in the following words, and I quote: "I do not say it is a rule which can never be departed from. If upon the trial of a prisoner, the judge should be of the opinion that the disclosure of the name of the informant is necessary or right in order to show the prisoner's innocence, then one public policy is in conflict with another public policy. And that which says that an innocent man is not to be condemned when his innocence can be proved is the policy which must prevail."

The courts have thus very clearly extended some protection against disclosure of the source of confidential information given to law enforcement officials. They have likewise put clear limits on the extent of the protection from disclosure. The question of great public importance now arises as to whether that protection extends equally or should extend equally to the existence, source and contents of such confidential information communicated to members of this assembly.

The Hon. Mr. Justice Steele, in his judgement in this matter, held that an informant to a member of this assembly is not in the same position as an informant to the police. This decision is of the utmost public importance, not only to the enforcement of criminal justice, but also to the rights, duties, privileges and protections of every member of this assembly.

As Attorney General, I cannot let these important questions, which are central to the administration of justice and to the rights and duties of the member of this assembly, go unanswered. It is for this reason that I have decided to ask the executive council to advance to the Court of Appeal a reference in order to secure for the government, the administration of justice, the members of this assembly and the public, answers to these following fundamental issues:

1. Is it open to a court in a criminal proceeding to refrain from compelling a member of the Legislative Assembly to disclose the existence, source or content of a communication made to him by an informant on the same basis as communications by informants to law enforcement officials have been held on occasion to be protected from disclosure in the public interest?

2. If so, what principles and interests should the court consider in determining whether it is in the public interest to compel or to refrain from compelling such disclosure?

3. Does the Legislative Assembly of Ontario have the power to enact legislation protecting its members from being compelled by a court in a criminal case to disclose the existence, source or content of a communication from an informant?

Nevertheless, at the same time, I welcome a debate at the appropriate time on the principle of extending the privileges of a member of the Legislature in relation to matters coming before the courts. However, I sincerely believe a debate at this point in time would be premature. Certainly it would not be in the public interest for it to be carried on in an emotionally charged atmosphere where it may be very difficult to retain the necessary perspective.

The member for High Park-Swansea can end his jail sentence on Wednesday when he is returned to court, if he chooses to do so. If he chooses not to, counsel for the Crown will at that time invite the presiding provincial judge to consider that any continued incarceration of the member is a matter that ought to be left to be determined by the trial judge, who, of course, will have the advantage of the judgement of the Court of Appeal on the reference.

Mr. Lewis: I wonder, Mr. Speaker, as the member who gave you notice under standing order 30, if I might speak very briefly to the Attorney General's intervention.

In light of the intervention, and particularly its finale, I think it is unnecessary—we think it is unnecessary—to pursue this debate this afternoon and would therefore ask that the Speaker not take notice of the submission under the standing order.

I wish, however, to say very briefly, through the Speaker, that even though the politics may demand it, I thought perhaps the Attorney General's statement was a trifle argumentative and prejudicial in its reasoning, given the nature of events. May I say also, Mr. Speaker, and with some regret, that it was also highly selective in its choice of authorities, even in its allusions to Mr. Justice Steele, who I remind the Attorney General said quite specifically in his judgement that Judge Dnieper had the authority to find, and I quote, "that the witness had a reasonable excuse in this case by reason of his position as a member of the assembly." I bring that to the attention of the chamber only to provide, if I may, some sense of balance.

I am nonetheless pleased with the direction of the Attorney General's statement because it allows for a review of this difficult conflict of principles and interest to which he alluded before the Court of Appeal—precisely the submission which we have put to him, and I think I must say as my colleague from

Riverdale particularly advanced, a submission that I understand will go under The Constitutional Questions Act of Ontario, which seemed to us at the time the appropriate Act.

We also understand, which is why I don't think the debate need be advanced this afternoon, that the effect of the Attorney General's statement is that either the member for High Park-Swansea will be released on Wednesday by virtue of the presiding judge putting the matter to trial—which ends the preliminary hearing and therefore his incarceration—or that indeed he would be released on Wednesday by virtue of the reference to the Court of Appeal, which release would therefore be pending the resolution at the Court of Appeal. Since that is, I think, the initial object—to have our colleague back in this Legislature where he belongs—and because as well we can resolve what we concede to the Attorney General to be difficult matters of public policy around confidentiality and disclosure, I think under those terms and in that context and with the member for High Park-Swansea back here Thursday morning, we will withdraw our wish for an emergency debate.

[4:15]

Hon. Mr. McMurtry: I wonder if I might reply very briefly to clarify the matter. As the Attorney General I have no power to release the member's colleague. I have put it no higher than on the grounds that I have already mentioned—namely whether, first of all, the member for High Park-Swansea is in a position to answer the question, or may be in a position to answer the question that was asked of him. I have made it clear that if he chooses not to, then counsel for the Crown will invite the presiding provincial judge to consider, as I have already said, that any continued incarceration of the member is a matter that ought to be determined by the trial judge who, of course, will have the advantage of the judgement of the Court of Appeal on the reference. The final determination in relation to the member's release will be the decision of Judge Dnieper on Wednesday. I just want to make that perfectly clear.

Mr. Sargent: If he had been a Conservative member he wouldn't be in there at all.

Some hon. members: Oh!

Hon. Mr. McMurtry: Now that is—

Interjections.

Mr. Speaker: Order, please. I'll recognize the hon. Leader of the Opposition.

Mr. S. Smith: I want to say, Mr. Speaker, that I am very pleased with the statement made by the Attorney General and I welcome it. We in this party are particularly concerned not only with the rights and privileges and the duties which we have in serving the public, but we are also very cognizant of the fact that it is up to us to protect the basic liberties of everyone in society. The basic one that is in question now is the right of an accused person to face his accusers and to prepare his defence.

We recognize very well, therefore, that the Attorney General has been in the dilemma that he outlines. We think the resolution he has come to, which is basically to ask for an opinion regarding the items in question, and in the meantime to take what steps are within his power to encourage the release, or at least prepare the possibility of the release of our colleague from High Park-Swansea, are reasonable steps that he is taking.

As a physician, I am aware that in this province and the common law provinces, physicians and clergymen do not enjoy the privilege that applies, for instance, in the province of Quebec. I think it is very important, lest we start extending privilege willy nilly, or even thoughtfully but in an emotional atmosphere, that we take what steps we can to secure the release of the member and then allow the courts to proceed with the case—as frankly I wish the member himself had chosen to instruct his counsel to do. However, he has not done so; the Attorney General is doing so; the executive council apparently will act on this. I for one am pleased and my party supports the statement made by the Attorney General.

Mr. Speaker: I recognize and appreciate the various comments which have been made and I accept the hon. member for Scarborough West's offer to withdraw his motion.

Mr. Peterson: Spend $50 and hire a decent lawyer.

Hon. Mr. Welch: Mr. Speaker, it has been agreed on consent that we will convene again at 8 o'clock and at that time take into consideration second reading of Bills 1 and 2 placed on the order paper this afternoon.

The House recessed at 4:20 p.m.

APPENDIX

ALPHABETICAL LIST OF MEMBERS OF THE LEGISLATURE OF ONTARIO

(125 members)

First Session of the 31st Parliament

Speaker: Hon. Russell Daniel Rowe — Clerk of the House: Roderick Lewis, QC

Member	Constituency	Party
Ashe, G	Durham West	PC
Auld, Hon. J. A. C.	Leeds	PC
Baetz, R. C.	Ottawa West	PC
Belanger, J. A.	Prescott and Russell	PC
Bennett, Hon. C.	Ottawa South	PC
Bernier, Hon. L.	Kenora	PC
Birch, Hon. M.	Scarborough East	PC
Blundy, P.	Sarnia	L
Bolan, M.	Nipissing	L
Bounsall, E. J.	Windsor-Sandwich	NDP
Bradley, J.	St. Catharines	L
Breaugh, M.	Oshawa	NDP
Breithaupt, J. R.	Kitchener	L
Brunelle, Hon. R.	Cochrane North	PC
Bryden, M.	Beaches-Woodbine	NDP
Campbell, M.	St. George	L
Cassidy, M.	Ottawa Centre	NDP
Charlton, B.	Hamilton Mountain	NDP
Conway, S.	Renfrew North	L
Cooke, D.	Windsor Riverside	NDP
Cunningham, E.	Wentworth North	L
Cureatz, S.	Durham East	PC
Davidson, M.	Cambridge	NDP
Davis, Hon. W. G.	Brampton	PC
Davison, M.	Hamilton Centre	NDP
Deans, I.	Wentworth	NDP
di Santo, O.	Downsview	NDP
Drea, F.	Scarborough Centre	PC
Dukszta, J.	Parkdale	NDP
Eakins, J.	Victoria-Haliburton	L
Eaton, R. G.	Middlesex	PC
Edighoffer, H.	Perth	L
Elgie, R.	York East	PC
Epp, H.	Waterloo North	L
Foulds, J. F.	Port Arthur	NDP
Gaunt, M.	Huron-Bruce	L
Germa, M. C.	Sudbury	NDP
Gigantes, E.	Carleton East	NDP
Grande, A.	Oakwood	NDP
Gregory, M. E. C.	Mississauga East	PC
Grossman, L.	St. Andrew-St. Patrick	PC
Haggerty, R.	Erie	L
Hall, R.	Lincoln	L
Handleman, Hon. S. B.	Carleton	PC

Member	Constituency	Party
Havrot, E.	Timiskaming	PC
Henderson, Hon. L. C.	Lambton	PC
Hennessy, M.	Fort William	PC
Hodgson, W.	York North	PC
Johnson, J.	Wellington-Dufferin-Peel	PC
Jones, T.	Mississauga North	PC
Kennedy, R. D.	Mississauga South	PC
Kerr, Hon. G. A.	Burlington South	PC
Kerrio, V.	Niagara Falls	L
Lane, J.	Algoma-Manitoulin	PC
Laughren, F.	Nickel Belt	NDP
Lawlor, P. D.	Lakeshore	NDP
Leluk, N.G.	York West	PC
Lewis, S.	Scarborough West	NDP
Lupusella, A.	Dovercourt	NDP
MacBeth, Hon. J. P.	Humber	PC
MacDonald, D. C.	York South	NDP
Mackenzie, R.	Hamilton East	NDP
Maeck, L.	Parry Sound	PC
Makarchuk, M.	Brantford	NDP
Mancini, R.	Essex South	L
Martel, E. W.	Sudbury East	NDP
McCaffrey, B.	Armourdale	PC
McCague, G.	Dufferin-Simcoe	PC
McClellan, R.	Bellwoods	NDP
McEwen, J. E.	Frontenac-Addington	L
McGuigan, J.	Kent-Elgin	L
McKeough, Hon. W. D.	Chatham-Kent	PC
McKessock, R.	Grey	L
McMurtry, Hon. R.	Eglinton	PC
McNeil, R. K.	Elgin	PC
Miller, Hon. F. S.	Muskoka	PC
Miller, G. I.	Haldimand-Norfolk	L
Newman, B.	Windsor-Walkerville	L
Newman, Hon. W.	Durham-York	PC
Nixon, R. F.	Brant-Oxford-Norfolk	L
Norton, Hon. K.	Kingston and the Islands	PC
O'Neil, H.	Quinte	L
Parrott, Hon. H. C.	Oxford	PC
Peterson, D.	London Centre	L
Philip, E.	Etobicoke	NDP
Pope, A.	Cochrane South	PC
Reed, J.	Halton-Burlington	L
Reid, T. P.	Rainy River	L
Renwick, J. A.	Riverdale	NDP
Rhodes, Hon. J. R.	Sault Ste. Marie	PC
Riddell, J.	Huron-Middlesex	L
Rollins, C. T.	Hastings-Peterborough	PC
Rotenberg, D.	Wilson Heights	PC
Rowe, Hon. R. D.	Northumberland	PC
Roy, A. J.	Ottawa East	L
Ruston, R. F.	Essex North	L
Samis, G.	Cornwall	NDP

Member	Constituency	Party
Sargent, E.	Grey-Bruce	L
Scrivener, Hon. M.	St. David	PC
Smith, G. E.	Simcoe East	PC
Smith, S.	Hamilton West	L
Snow, Hon. J. W.	Oakville	PC
Stephenson, Hon. B.	York Mills	PC
Sterling, N. W.	Carleton-Grenville	PC
Stokes, J. E.	Lake Nipigon	NDP
Stong, A.	York Centre	L
Swart, M.	Welland-Thorold	NDP
Sweeney, J.	Kitchener-Wilmot	L
Taylor, G.	Simcoe Centre	PC
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Walker, G.	London South	PC
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Wells, Hon. T. L.	Scarborough North	PC
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Williams, J.	Oriole	PC
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First Session, 31st Parliament
Monday, June 27, 1977
Evening Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, Q.C.

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

UNIFIED FAMILY COURT AMENDMENT ACT

Mr. Grossman, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 1, An Act to amend The Unified Family Court Act, 1976.

Mr. Speaker: Does the hon. parliamentary assistant have an opening statement?

Mr. Grossman: This bill is necessary for two reasons. First is the delay in passing The Family Law Reform Act which, with the co-operation of our friends opposite, can—it is hoped—be remedied before the end of the year. Due to the fact that The Family Law Reform Act has not yet been passed, we must now act before July 1, 1977, to confer jurisdiction on the new unified family court.

The old provincial court family division ceases to exist in the judicial district of Hamilton-Wentworth on July 1, 1977. Therefore, it becomes necessary to provide a forum for those matters. That is the same date upon which the new unified family court comes into existence and it is appropriate and necessary to confer upon this court the necessary jurisdiction to handle cases that would otherwise be heard in the provincial court family division.

The approach we have taken is to permit all of the remedies under the old legislation to be received in the new unified family court and it confers jurisdiction to rehear applications under The Deserted Wives' and Children's Maintenance Act, even though, for example, the order was made by a judge of the provincial court.

This will operate in an interim fashion so that all those cases formerly heard in a provincial court will be heard in the unified family court, and this interim measure will become unnecessary as and when The Family Law Reform Act is passed.

This will explain the two schedules included in Bill 1—the first, which confers jurisdiction under those specific Acts, being repealed and therefore omitted from the second schedule contained in Bill 1; the first schedule also includes, of course, jurisdiction in respect of alimony actions.

The second reason for Bill 1 is to provide transitional rules for the movement from the provincial court family division into the new unified family court. These clauses would, in any event, be necessary in legislation because it is unable to provide these rules in any other fashion under The Unified Family Court Act and The Provincial Courts Act, so we do it in this statute.

The system is simple, in that it provides that where proceedings are commenced in the provincial court family division before the Act comes into force and no evidence has been introduced, with the exception of interim orders, then the proceeding is deemed to be a proceeding commenced in and shall be heard by the unified family court. So it's a fairly simple procedure, and those matters will be transferred to the unified family court, subject, of course, to such directions as the court considers appropriate.

Finally, Mr. Speaker, you'll see that Bill 1 amends The Unified Family Court Act to provide for the bill to be repealed July 1, 1980. This would permit a full three-year run of the unified family court from and after July 1, 1977.

Mr. S. Smith: On this particular matter, Mr. Speaker, I've had some considerable interest since, both as a professional who has testified many times in family matters and in family courts, and also as a representative of the Hamilton area, I've watched the experiment with great interest and I am familiar with the honourable judges who propose to do their work in the unified family court and who are working there.

I feel that although we are, of course, somewhat concerned about the family law reform generally and we would like to see that proceed as quickly as we can, we believe these transitional provisions are quite reasonable, and I think the experiment in Hamilton-Wentworth is one that's worthy of being watched very closely by everyone in the province. We believe the precise suggestions made seem reasonable and we're certainly prepared to support this so that in the interim, before we finally do get the family law reform eventually passed, at least the court authority

will be clear and the unified family court can proceed with its work. So our party is prepared to support this bill and I wish the people in the unified family court very well. I think it's an excellent experiment and one that deserves to be watched and, we hope, repeated elsewhere in the province.

Mr. Lawlor: Mr. Speaker, on the particular piece of legislation tonight, I'm very regretful that the Attorney General (Mr. McMurtry) is not conducting the debate. We're not just at loggerheads but at such lengthy loggerheads now, that whereas formerly we could combat eyeball to eyeball so to speak, now we're removed at an amicable distance from one another and one really can't say what he thinks. So I turn to the parliamentary assistant (Mr. Grossman) who is an amicable substitute in this particular regard. It is indeed a shame that he has to move legislation before this House of this particular kind because of ineptitude. Would one go that far?

Hon. Mr. Henderson: Don't be mean, Pat.

Mr. Lawlor: Well, I have the long memory of the elongated elephant, you know, and as we sat through those hearings last fall, being the mere chairman at that time of the justice committee, my prognostications have proven —well it's the first time in my life so I may as well mention it in this House—completely valid and verified.

I said as we came into November that if we didn't get that legislation through before Christmas we may see many moons and even Christmases pass and amendments to the unified family court legislation having to be moved many times before this House. Why, gentlemen and ladies, you know that our lives here today may be very tenuous indeed. The whole thing upon which this turns is being projected now over into next fall. Thank God, just between you and me, Mr. Speaker, that it is. August is not the time to deal with family reform, but there you are.

At that time I said if it wasn't done that we would very likely come deep into the next following year before we had that legislation in place; and that wouldn't it be wiser to push it through. We had heard many briefs. We had multitudes of individuals appear before us and pretty well had canvassed the issue. Still, I suppose, a certain prudence reigned in the particular context, and here we are today being forced to bring in emergency legislation, albeit of a housekeeping nature, in order to obviate what could very easily have been handled at an earlier time; either by handling it last fall—we had three solid months of hard work on the thing at that time—or by bringing this House into session at an earlier time; or, having brought the House into session among the latter-day saints, going forward with it, which we didn't proceed to do, did we? The whole thing fell into abeyance and an election was called.

All perfectly predictable; you didn't even need a horoscope to say that the ambience of this evening in the Legislature would be wholly in the cards, and the cards are being dealt as things presently stand.

I will not dwell upon the legislation at length. I would refer this House to the magnificent constitutional oration made by my friend from Riverdale (Mr. Renwick) on that particular occasion, where deep into the lore of our parliamentary institutions, about the parallel powers touching family law as between the federal government and our government, the kinds of accommodation, or better disaccommodation, that existed in trying to resurrect this legislation, was to some extent discussed. The mean jealousies of little men on all sides of the fence.

Who's going to appoint the judges was the central theme. This really hung them up; the jealousy of the prerogative of the appointment. You know, you have to get your friends into office if you possibly can. The federal government had the central track with respect to the Supreme Court and county court judges. That's a jealously guarded, perhaps the most singularly jealously guarded prerogative of the federal government.

Over here, you know, we have the odd guy who wants to be a family court judge or provincial court judge, and they were being turfed out of their jobs because of certain blindfoldedness; and how on earth were you ever going to work out these difficulties?

They haven't been worked out. They've only been partially worked out. Some kind of compromise agreement was reached whereby the federal minister, selecting among extant family court judges, would designate his boy or woman in this particular context and appoint them as the family court judge to exercise this very wide jurisdiction.

No one at any time, in the course of this House and through the hearings of the Law Reform Commission, has ever taken umbrage or exception with the concept itself. It is the way in which it is being implemented that somewhat sticks in the craw.

Since that particular time—at the time when this debate came on previously I was laid up; oh don't we wish we were horizontal tonight; but we're not, we're almost vertical. So I thought I would refer, just briefly, in order to get this Legislature off on the wrong foot, to the report on family law from the Law Reform Commission; Part

V, Family Court, page 181, in which there is the quotation: "All of us would probably agree with these conclusions, that the family is a unit which should be dealt with as a whole and not piecemeal, and that to achieve this there must be a court with authority to deal with every legal problem which arises in the family; and that to prevent the parties themselves from dividing the matter among the several courts, access to the other courts must be restrained."

[8:15]

It goes on in that particular vein. Then, making further reference to the Law Reform Commission report, arising out of the volumes and volumes of the report on family law, wherein part one of this particular reforming of the whole court structure which is going on at the present time—and this is the initial step in that particular direction—and I do take exception to this business of a pilot project, and the penchant of the present government for initiating pilot projects—tentative, empirical, like some small insect out of a remote age, some crustacean with a tentacle—he reaches out and feels around to see whether there is any form of enemy life in the breeze out there.

With this particular approach to reality they want to do everything by way of experiment and pilot projects. I would think this would be carried out somewhat more massively. You've got a three-year project here. Surely, the Attorney General says that he's trusting, that it would be a lesser time that will have proved itself, but why couldn't it have been in six, 10 or 12 areas of the province in the central zone where the same project is launched? We all know the intrinsic validity—the Law Reform Commission of Canada, of Ontario, and the other provinces, have all come to an identical conclusion. There is a consensus on this particular thing. Yet, we get the Hamilton-Wentworth project as a testing ground. I hardly think that it's necessary. We have that as a syndrome of the present approach to law reform in this province.

It is extremely interesting to see what the Law Reform Commission of Ontario had to say: "The most serious contributing factor of the present inadequacy of the provincial court family division is their extremely limited jurisdiction. There is little doubt that the present jurisdiction of the court is not adequate. Four different branches of the hierarchy—supreme, county, surrogate and provincial—all administer family law and this results in overlapping and competing jurisdiction, fragmented jurisdiction, conflicts in philosophy and approach to the same problems among the different courts."

A little further down he points out: "The fact that four distinct branches in the judicial hierarchy in Ontario administer family law leads to some anomalous situations. The provincial court family division can take a child permanently from its natural parents and make it a ward of the Crown but has no jurisdiction to take a child from one parent and order custody in favour of another, except in very limited situations under The Deserted Wives' and Children's Maintenance Act. Custody is a matter for the Supreme Court or the surrogate court. Nor has the provincial court family division the power to make an adoption order."

It goes all the way through with respect to maintenance, adoption, alimony, divorce, the whole thing. One of the primary ways and I think we all agree, in which the court costs and the costs of legal aid and so forth can be very substantially reduced is by the unification concept. Yet, it's placed in some kind of limbo—and though I don't want to be too theological, even in purgatory—in terms of the way in which this present legislation is being sent forward.

Mr. Speaker, I trust that the legislation will go—even though I have a few questions—into committee. I assure you there will be no prolongation of the issue, but there are two or three questions that I would ask. I would ask to prevail upon the minister's representative to permit that—in the House of course—and I think any difficulties that I have with the legislation can be obviated.

Mrs. Campbell: Mr. Speaker, I want to address myself to this bill and I speak in sorrow that it's before us at all. The reason is the laxness and delays of government and the lack of commitment to the family law reform legislation which ought to have been in place by this time. That is the reason why basically the amendment is before us.

I would also like to point out that this court will be dealing with The Child Welfare Act. I would like to recall the magnificent record of this government in the amendment to The Child Welfare Act which was brought forward by the government in its attempt to give equality to women, recognizing International Women's Year. What was that amendment? The amendment was brought forward simply to clarify what someone might have deemed to be ambiguous, but I know of no one active in this field of law who felt it was ambiguous. That was to ensure that either parent would be equally responsible for the maintenance of children. Fine, I have no objection to that being clarified. But one of

the dandy things the government didn't do was it did not amend the legislation. What it did was say that either parent was equally responsible, only the father, whether or not he were maintaining the child, had the right to determine the religion of the child. This is psyched into this legislation. So far as I'm concerned, there is no question that we need to have a Unified Family Court Act.

I agree with the member for Lakeshore. I see no reason why there shouldn't be a greater commitment to the people of this province than simply to the people of the Hamilton-Wentworth area. Important as it obviously is, and particularly to the Liberal Party of Ontario, I would like to say to you, Mr. Speaker, that in Toronto and in other parts of the province inequities will continue. In Toronto a family court judge may be dealing with a matter under the child welfare legislation and find that there is an application in another court for custody and that application under child welfare will have to be set aside because of the overriding jurisdiction in this great metropolitan area. I think that is inequitable. I think it's totally wrong and only a government lacking commitment would find itself in this position at this point in time.

The needs of people ought on some occasion to have some kind of priority in what happens in this Legislature. What we really do is consider the needs of bureaucracies and the way in which we can make things work without a commitment to the overriding needs of people. This concerns me because the philosophy is so very different from my philosophy and my consideration of the needs of people, particularly the needs of children. There shouldn't be a confusion between wardship and custody in this day and age anywhere in the province.

Having said that, I recognize, as indeed I must, that undoubtedly this is something that has had to be negotiated with another level of government. I am very sad that the negotiations came forward on such a limited basis.

I don't speak on behalf of judges in the courts, nor the hierarchy of the courts; I speak on behalf of the people who need to have a determination of their problems in a way which is meaningful. And, with the greatest respect, I don't think that is confined to Hamilton-Wenworth, to Ottawa, to Thunder Bay or even to Toronto. But the problem is that we seem to have to work out mechanics before we commit ourselves to the philosophy of concern for needs of a family.

You can't isolate these cases and put them in separate little compartments; these are overriding needs. Children are being hurt, and can continue to be hurt, because of this little-mindedness, possibly both at this level of government and at the federal level. I am quite prepared to accept the fact that the federal government undoubtedly can't escape its own little-mindedness of purpose either, if that is the reason for this legislation.

There is nothing I can do other than to accept this bill, as my leader has indicated. But I protest the lack of real commitment to people that it represents, and it certainly embarrasses me to be a part of such a little-mindedness.

Mr. Renwick: I will be very laconic in my remarks, Mr. Speaker, because I am looking forward to the contributions of the members for Durham West (Mr. Ashe) and Durham East (Mr. Cureatz), for I know my former colleagues from those ridings most certainly would have been participating in a debate of such importance as this.

Hon. Mr. Henderson: Too bad they are not here.

Mr. Reid: If they had kept their mouths shut, they might have been here.

Mr. Renwick: Indeed, after that, I am most anxious to hear the contribution of the member for Fort William (Mr. Hennessy), the member for Peterborough (Mr. Turner), the member for Cochrane South (Mr. Pope) and the member for Timiskaming (Mr. Havrot). I say this because some of them came from the old time when they didn't have to participate, and I just wanted to let the new members know that we look forward to and anticipate the contributions that they would make, because we would like to compare them with the contributions made by our former colleagues in this House from those ridings.

Mr. Havrot: That is not hard.

Mr. Lawlor: Let's hear you.

Mr. Renwick: We're really looking forward to the intense and deep social concern of the now member for Peterborough as compared with the former member for Peterborough on matters related to the unified family court.

Hon. Mr. Kerr: You sound a little hurt.

Hon. Mr. Bernier: Sour grapes. The public recognized it.

Mr. Renwick: We particularly want the comments from the returned member for Timiskaming on matters related to family court matters as they relate to his part of the world.

Mr. Havrot: It's not what you say, it's what you do. Actions speak louder than words.

Mr. Speaker: Now could we get to Bill 1, please?

Interjections.

Mr. Speaker: Order, please. Could we get to Bill 1?

Mr. Havrot: Actions, not words.

[8:30]

Mr. Renwick: I may say that in each of the bills that will come before the assembly we will be listening very closely to what the members from those particular ridings will be saying—

Mr. Havrot: You don't have to listen. It is action that counts. It is not words.

Mr. Renwick: —because they're going to be here for such a short time that we want to understand clearly what their contribution may be—

Mr. Reid: You have a hard act to follow.

Mr. Renwick: —on all of the matters of such fundamental importance that the government intends to bring before us.

Mr. Havrot: It isn't what you say, it's what you do.

Mr. Renwick: Perhaps I could address myself—

Mr. Speaker: Could we get some order, please? Would the hon. member get to the principle of Bill 1?

Mr. Sargent: Mr. Speaker, on a point of order, I thought the member for Riverdale was in favour of minority government.

Mr. Speaker: That's not a point of order. If the hon. member for Riverdale will continue, we'll get into the principle of Bill 1, please.

Mr. Lawlor: It depends on who is the minority.

Interjections.

Mr. Renwick: I wanted to address myself particularly to the parliamentary assistant to the Attorney General who is—

Mr. Speaker: Order, please. The hon. member for Riverdale.

Mr. Renwick: —piloting this bill, if I may say, through the assembly tonight. It's certainly a bill that is a challenge to him, I know, because it embodies several very important principles, all of which are erroneous. I want the members particularly who have been returned from the seats of my former colleagues to understand the kind of gobbledegook that the government introduces to us as the first bill for us to consider in this first session of the 31st Parliament.

Mr. Havrot: Defeat is bitter, isn't it? It is hard to swallow.

Mr. Renwick: I'm a relatively simple person on these matters but the explanatory note to sections 1 and 2 says the amendments result from the postponement of the passing of The Family Law Reform Act, 1977, as proposed in Bill 6. It doesn't take a genius to know that Bill 6, which was introduced today, is The Ontario Unconditional Grants Act. There is no such thing as The Family Law Reform Act, 1977. It hasn't seen the light of day. I agree with my colleague the member for St. George (Mrs. Campbell), that the government has shown its position quite clearly since last December, when we in good faith supported the postponement of those bills so that they could be heard in committee and dealt with; we now want evidence from the parliamentary assistant, and indeed from the government, that they are serious about the family law reform package which was so much a highlight of their 1975 election program.

We are being asked at this point in time to pass amedments to The Unified Family Court Act, which is a significant and important experiment in the problems of the family court resolution of marital problems of one kind or another, until such time that something called The Family Law Reform Act, 1977, which doesn't exist, is passed. If the government is asking us in this first session of this Parliament to support these amendments, which of course we must support because they deal simply with the date as to when that court will come into operation, I think we are entitled in this assembly to a commitment from the government tonight on this bill that the package of bills referred to family law reform will be reintroduced, will be dealt with expeditiously in this assembly and that it is the intention of the government to introduce those bills in substantially the form in which we saw them last and then to permit an adequate and popular public debate about the contents of those bills.

Those bills are an integral part of the whole of the reform of the family law in the province of Ontario on which immense amounts of time and an immense amount of fanfare have been devoted over a period of time and on which many of us have spent many anguishing hours, including the parliamentary assistant, in committee.

What is the intention of the government with respect to that family law reform package? Is it, in fact, going to take place? Is there any motivation or intention by the gov-

ernment that those bills will be introduced during this summer part of this session? Will they be proceeded with next fall? Will there be committee hearings? Will there be an opportunity for persons to make presentations with respect to them, because it doesn't take any genius to read the so-called explanatory notes to this bill to see that all of the amendments—not all of them, but most of them—relate, for practical purposes, to the so-called passing of The Family Law Reform Act, 1977? We are quite prepared; we are always co-operative. We co-operated in having the election. And we are prepared to co-operate further in passing this bill.

Mr. Lewis: And in having another one.

Mr. Renwick: But we want very much to have a commitment from the government about its intentions with respect to the package of bills known as family law reform, because those bills are essential in a modern Ontario. It is essential that we have the debate. It is essential that we continue the discussions, interrupted as they have been, so that in due course, before this session—I don't mean this summer, but this session of this Parliament—is completed, those family law bills will have become part of the law of the province of Ontario.

With that reservation—as my colleague, the member for Lakeshore, said—we will support the bill. I look forward to contributions by the members who now occupy the seats formerly occupied by our respected colleagues in each of those six ridings.

Mr. Lawlor: We want Havrot.

Mr. Makarchuk: Let's hear it.

Mr. Roy: I hate to let a bill as important as this one go by without saying a few words. I apologize for my late entry into this august chamber. I am told by the Clerk that I was the 125th to be sworn. I am glad to be back and wish to make a few comments on a bill that I consider of prime importance.

We in this party have for some time been talking about unified family courts. We felt for years that the system in which people with marital problems were really playing a sort of running bingo in the sense of knowing which—

Mr. Peterson: We are not all Catholic, Albert.

Mr. Roy: Well, it was extremely difficult for the ordinary lay person—

Interjections.

Mr. Roy: My God, my colleagues are talkative tonight.

In any event, we felt it was high time for this type of legislation, at least on an experimental basis—whereby people with family law problems can address themselves to one court. We just thought it ludicrous over the years that people who had problems in family law, whether it was children or divorce, were in either provincial court family division, or were in county court where there was dispute over the children, or in Supreme Court where there was dispute over divorce, alimony and so on.

So I am pleased to say that we are very favourable to this type of experiment. I say this with a certain amount of caution because I haven't heard what my colleagues had to say some time earlier, but I take it that if anything is consistent about this party it is that we follow a policy line all the way through.

One of the things I think I will enjoy in this House, as I get warmed up here a little bit, is that when we talk about the NDP they will, for a change, be to our left; and I think that is where they should be.

Mr. Havrot: Praise Timiskaming.

Hon. Mr. Welch: It is Bill 1, Albert.

Mr. Roy: Yes, as I look across I see some new faces

Hon. Mr. Welch: Nice to have you back.

Mr. Roy: Are you still House leader?

May I congratulate you, as well, Mr. Speaker, on your appointment? You don't mind if I just dribble on like this, do you?

Mr. Speaker: Yes, I think we should kind of stick to the principle of Bill 1.

Mr. Roy: It's comforting. I see so many new faces, both on our side and on the other side and I welcome these members.

Mr. MacDonald: Have you decided what you want to speak about?

Mr. Havrot: Look over on our side too, Albert.

Mr. Roy: Hopefully we will be able to work together on legislation as constructive as this bill here. I only hope, in supporting this type of legislation, that it does not just remain basically an experiment. I think the expansion of a unified family court across this province should be something that is done with the greatest of haste.

It's very difficult for the public to understand that the reason we don't have a unified family court is because there is a jurisdictional dispute between the federal government and the provincial government. I think the lay people are not too much interested in who's fighting over what jurisdiction.

Basically the courts are there to serve the public, but the courts in their present setup in family law are not serving the public.

I am pleased to say a few words on this legislation and listening to my colleague, the member for Riverdale. I sort of wonder, as he does, what has happened to all the other family law legislation. I think we have waited for too long. We delayed it once in committee, and I think that was worthwhile to get additional submissions to it, but why aren't we seeing this type of legislation come forward along with this legislation as well? That is much-needed legislation and I would hope the parliamentary assistant over there will tell us when we can expect the other legislation dealing with property rights and children and so on.

So, Mr. Speaker, just very briefly, and I appreciate your patience with me, I hope this type of project will be successful. I am impressed by some of the people who are being named on this unified family court and I am convinced that the program will be a success—

Mr. Martel: What did you say so far?

Mr. Roy: What did I say?

Mr. Martel: How about the bill?

Mr. Warner: Get to the bill.

Mr. Roy: You fellows ought to be happy that I am not taking shots at you.

Mr. Speaker: I think if the hon. member would address himself through the Speaker it would be better.

Mr. Roy: I think also I should be modest and kind in my first altercations in the House. If the member for Sudbury East wants to get into a dispute I'd love it, but not tonight. This is a night when we are supportive. I see some colleagues out there who are going to provide some fun before this is all over.

Interjections.

Mr. Roy: The member for Timiskaming (Mr. Havrot) is back.

Mr. Speaker: Order, please. Would the hon. member stick to Bill 1, please?

Mr. Roy: In any event, Mr. Speaker, I am glad to support this legislation.

Mr. Speaker: Thank you. Do any other hon. members wish to speak to this bill? If not, the parliamentary assistant may sum up.

Mr. Grossman: Meanwhile, back at the principle of the bill, Mr. Speaker, the member for Lakeshore—

Mr. Peterson: What do you know about principles?

Mr. Lawlor: Havrot didn't speak. That's the only reason we came tonight.

Mr. Speaker: Order, please. The hon. parliamentary assistant has the floor.

Mr. Havrot: All you fellows know how to do is wag your tongues.

Mr. Speaker: Order, please. The hon. member for Lakeshore has had his say. The hon. parliamentary assistant now.

Mr. Havrot: His tongue has wagged long enough. He has licked us.

Mr. Speaker: Order, please. The member for Timiskaming will please restrain himself.

Mr. Lewis: You thought this would take two weeks, did you?

Mr. Grossman: I offered them tickets to the baseball game tonight.

Interjections.

Mr. Grossman: Mr. Speaker, the member for Lakeshore and others have expressed concern over the balance of the family law package and have commented upon what they feel is a lack of commitment to the family law legislation. May I say that all of those, without exception, who have spoken this evening must bear their portion of responsibility for the fact that The Family Law Reform Act is not law.

Mr. Warner: The first day he's in here, already the member for Timiskaming should resign.

Mr. Lewis: The little homily from Larry.

Mr. Grossman: The last speaker, the member for Ottawa East, not having had the advantage of having heard the member for St. George, himself admitted—and I use his words—we delayed it in committee and it was worthwhile. Those were his words. He, as always, acknowledges his contribution and, as well, his portion of the responsibility for the fact that the bill was not read a third time last Christmas. Indeed, the then chairman of the committee, the member for Lakeshore, was present and he will recall that the Attorney General and myself both expressed some grave concern about the fact that we were delaying it.

[8:45]

However, some of the points that have been made at the justice committee by some of the members who have spoken this evening gave us cause for concern and some food for thought and as always, being the open-minded people that we were—

Mr. Lewis: "Cause for concern. Food for thought." You are a charming phrasemonger.

Mr. Grossman: I've been watching the member for Scarborough West too much during the election.

We took it out and we withdrew the bill at the suggestion of and with the concurrence of all the members of the committee. We discussed it at length at that time and all the members were rather relieved at that time that in the absence of, for example, the submissions from the bar association we should not proceed into third reading of the bill. We wanted to hear that brief—all members of the committee wanted to hear that brief—and we stood the bill down. Again, all members of the justice committee concurred; not a murmur.

Mr. Lawlor: More or less.

Mr. Grossman: And again, it's a pleasant change, that because we listened and heard what happened at the justice committee it's nice to hear the members opposite acknowledge that we did listen and learn from the justice committee proceedings.

Mr. Martel: Nice to have a minority government.

Mr. Kerrio: You had no choice.

Mr. Grossman: We brought the bill back and we looked at it again.

Mr. Grossman: It was reintroduced with a large portion of the family law package in the last session of the 30th Parliament. It's history now as to why that was not proceeded with, but the Throne Speech heard earlier today referred to the government's continuing commitment to its entire legislative package as presented in the last session of the 30th Parliament.

Mr. Laughren: You are the epitome of the Peter principle.

Mr. Grossman: Hence a reaffirmation of our commitment to the entire family law package and the members will be seeing it again, in fact.

Some concern has been expressed by the member for Riverdale that we should not only reintroduce the package but assure the House that there will be adequate and popular public debate, in his words. I think our record on that count is pretty good. As the member for St. George would have it, perhaps too good, because we did hold it at committee stage and refused to take it to third reading, partly because of our concern that some persons who had been invited through advertisements in the press to make submissions to our committee were unable to do so last fall. That was part of the reason we held it over.

I find it an interesting comparison to note the remarks of the member for Riverdale, who wants assurance that there will be more public and popular debate on that bill, as against the comments of the member for Lakeshore who was complaining that Lord knows we have heard every aspect of the thing, we have dealt with it inside and out, top and bottom, heard everything there was to hear on the subject and we should have put it through.

Mr. Lawlor: Do you think we will go through next fall?

Mr. Grossman: There you have it. They agreed on the automobile insurance, but disagreed with Deans. Now they're at odds this evening.

Mr. Lawlor: That's a vile cavil; stick to the principle.

Mr. Grossman: But then again the member for St. George and the member for Ottawa East are at odds as well.

The members have expressed concern over the fact it is a pilot project only, and of course it's a pilot project. This was well known and debated, both at the time of the family law reform bill, Bill 6, of the last session of the 30th Parliament and at the time of the passage of The Unified Family Court Act.

Just to remind those members who have just entered the chamber this evening and those who are returning here after a short absence from the assembly, the reason that it's a pilot project is, notwithstanding the sentiments of the Liberal Party of Ontario, as the member for St. George would have it, the Liberal Party of Canada has decided in its own wisdom that it will go with only one pilot project per province.

There it is. That's the reason it's a pilot project; that's their decision. We may or may not like the provisions of The British North America Act, section 96 and others, but they are there as well and we are caught with that jurisdictional problem. The federal government has proceeded as it sees fit and I'm not about to launch into a defence of its activities.

But I think it's also fair to point out that notwithstanding their foot-dragging on the situation and the fact that they have decided, for whatever reasons, to go with only one pilot project per province, our province moved immediately, notwithstanding the difficulties that are present and inherent in the minority government situation, to bring forward the family law legislation—

Mr. Roy: As though we were opposing you.

Mr. Grossman: —which was not done without a lot of careful thought and consideration, reflected both in the first piece of legis-

lation presented and the second piece. So our commitment is there. We can do no more than the federal government permits us to do, and the members who do express some concern about the fact that it is a pilot project would do well to look at the remarks of the Attorney General—

Mr. Warner: Where is Bill?

Mr. Grossman: —made during the debate on The Unified Family Court Act in this assembly, where he expressed the hope, the rather optimistic hope, that it would expand prior to the expiry of the three-year pilot project to other parts of the province, and his desire that it so do if at all possible.

Mr. Warner: Didn't the Attorney General get any headlines out of this?

Mr. Grossman: Those who have concern should read that debate and as well should communicate with our friends in Ottawa and tell them one pilot project per province is not enough.

Finally, the member for Lakeshore (Mr. Lawlor) was expressing some concern that we'll be back here time and again if the legislation does not pass later this year, which we hope it will, and we will be reading him the remarks of his colleagues and himself later in committee this year, I'm sure, I would like to point out to him that it is precisely to avoid having to reopen this bill, in the event that there is some difficulty later this year, that the bill is structured with two schedules and with, as it were, self-destruct provisions whereby we can repeal it by proclamation. So we won't have to see this legislation or a similar piece of legislation of this type back in the assembly if, perchance—and we hope it will not happen—The Family Law Reform Act, 1977, whatever number it is, does not get passed by this Christmas. We fully expect it will.

Motion agreed to.

Ordered for committee of the whole House.

ENVIRONMENTAL ASSESSMENT AMENDMENT ACT

Hon. Mr. Kerr moved second reading of Bill 2, An Act to amend The Environmental Assessment Act.

Mr. Speaker: Does the hon. minister have an opening statement?

Hon. Mr. Kerr: No, Mr. Speaker, I made my comments on first reading.

Mr. Roy: That is not like the minister.

Mr. Bolan: First, Mr. Speaker, let me congratulate you on your appointment. I might also say it certainly is a privilege for me to be in this House and to have the opportunity of addressing the House at such an early stage during my rookie year.

Mr. Conway: A great new member.

Mr. Bolan: I might also say it is my intention to be in this House for many years to come, contrary to the intentions and the wishes of the mayor of the city of North Bay.

Mr. Conway: Where is Merle anyway? Gone to pasture?

Mr. Martel: He's still in jail, wearing his pinstripe suit in reverse.

Hon. Mr. Kerr: You're lucky that statement is privileged.

Mr. Lewis: We have immunity in here.

Mr. Bolan: Dealing with this proposed legislation, on going through it I find it has both a ring of happiness and a ring of sadness. It has a ring of sadness because it's an example of the lack of attention by the government to the people of northern Ontario over a number of years.

Mr. Peterson: Shame.

Mr. Bolan: As a northerner, I really have noticed the deterioration of our natural resources. I've seen our forests cut down and our streams fished out, and yet nothing is done to replace these natural resources which are so very difficult to replace.

There is happiness, though, because at last the government has recognized that there is an urgency and that something must be done to assist the people of northern Ontario in dealing with these problems.

The very fact that you do have this proposed legislation is an indictment against the past governments of this province, over the past 34 years, for failing to recognize the particular problems which exist in northern Ontario. Proof that these particular problems exist is demonstrated by the fact that there is before this House proposed legislation to create a Ministry of Northern Affairs. A Ministry of Northern Affairs is obviously being created because the government recognizes there are special problems in northern Ontario and that the government has failed to meet these problems.

Mr. Roy: Right.

Mr. Conway: Give Leo some employment.

Mr. Sargent: They're going to give the minister a job.

Mr. Bolan: I might say, Mr. Speaker, that the inquiry will be a lengthy one. I have had occasion to go over the terms of reference, and I presume they are the same terms of reference which were filed with this House when the bill was introduced back on April 26. The terms of reference

are quite broad and they empower Mr. Justice Hartt, who will be designated as the appointee, to delve into the many problems which have been created.

Incidentally, dealing with this inquiry, it is quite obvious that it only came about as a result of constant pressure and prodding applied by the opposition parties during the last session. Had it not been for this constant prodding, the agreement would have been entered into with the Reed Paper Company and we certainly would not have occasion now to launch an inquiry into the whole process.

Mr. Conway: The joys of minority government.

Mr. Bolan: I might also say that at one time, after the government announced that it would propose legislation with respect to an inquiry, the Reed Paper company came out with its own environmental assessment of the impact which this would have on the community and the environment. That is like hiring the wolf to guard the chicken coop against the fox.

In any event, Mr. Speaker, the inquiry will be a lengthy one and I would expect it will touch on many of the phases of development and of resources in northern Ontario. Because of the fact that it will be a lengthy one, I urge this government, and I urge this House, to look at it with caution and not use the length of the inquiry as a means of shirking its responsibilities for further development and growth of northern Ontario.

The problems which we are dealing with in this inquiry relate to our primary resource industry, but that does not mean to say there is no room in northern Ontario for secondary industry and development and growth other than in the primary resources. I would hope the government would pay attention to northern Ontario and would not hide behind this inquiry before coming out with sound legislation to assist the residents of northern Ontario.

Our party does accept this legislation, in spite of the fact that it is probably 10 or 15 years too late. Nevertheless, we feel some good can still come out of it and we hope it will benefit all of the parties. Thank you, Mr. Speaker.

[9:00]

Ms. Bryden: This bill, Mr. Speaker, is a stage in a very long struggle; a struggle to bring under public control the granting of timber limits and licences in this province. The whole 34 years of Tory government has been a history of giving away fiefdoms to private companies, with very little control over the way they exploited the resources that were entrusted to them in very long-term leases, in licences which required very little input in the way of regeneration and preservation of our renewable resources.

Mr. Conway: Bryden for leader.

Ms. Bryden: Leases which also brought back to the real owners of these resources, the people, very little return in the way of the economic values which were generated by the exploitation of these resources. And so, Mr. Speaker, over the years we have continually asked that timber licences and timber limits must be brought under public control. But we were very concerned when, two years ago, rumours began to fly that the Conservative government was prepared to give away the biggest fiefdom in history, 19,000 square miles, to a company which had a record of being responsible for mercury pollution in the English-Wabigoon Rivers system; a company with a record of harvesting methods which resulted in very little regeneration, which made it more difficult to regenerate; a company which had exploited timber resources in other areas of the province and had not fulfilled its obligations to regenerate and to prevent pollution.

Mr. Reid: They are not responsible for regeneration, the government is.

Ms. Bryden: This particular proposal, which was rumoured for two years—

Mr. Reid: The NDP must have paid off all their research staff after the election.

Ms. Bryden: —was kept very secret. We could not really find out what was going on. In the same period there were numerous reports coming out that our forest resources were in great danger, that we were not renewing as we should be.

For example, Mr. Jim Lockwood, head of the ministry's forestry division, was reported to have said that our foresters tell us we should be planting 300,000 acres right now when we are only doing 160,000—this was in 1976—that the ministry was spending only $24 million annually and should be spending about three times that, close to three times that, in order to regenerate.

Other reports were saying that the days of the big timber licences were over. Professor Kenneth Armson of the University of Toronto said in a report: "We are coming to the end of the mature exploitable forests of Ontario." He believed we must combine both government and industry in a silviculture programme which would ensure

that our renewable resources were here for future generations; that if we did not we were likely to run out of timber in the next 20 or 30 years.

After all the rumours and the denials that anything was being contemplated of the size or the extent of the Reed Paper proposal, the very day that the Legislature convened, October 26, 1976, for the fall session, the government suddenly announced a memorandum of agreement with the Reed Paper company, granting this rumoured large tract but saying that the terms would be subject to review and would not be written until there had been an environmental review.

One wonders why it was signed in such a hurry, why the agreement could not have waited until the environmental impact was assessed, why it had to be done before the Legislature met and had a chance to discuss it; and actually what were the obligations of each party? There was public concern about whether native rights and claims would be protected, whether the commitment of the company to build a pulp mill would be binding, whether the contributions of the company to the costs which the government undertook for a forest inventory would cover the costs and whether the plan that the company was to produce for forest management would actually provide for proper renewal of our resources, for a development plan which would mean jobs not only for now but in the future.

So, after the public outcry, and a great deal of questioning, the government finally agreed to have an environmental assessment of this particular proposal. They seemed to be a bit confused as to whether the assessment should be under The Environmental Protection Act, which really was designed to look after quarries and landfill sites, but they finally discovered that perhaps The Environmental Assessment Act, which was broader, might apply. Of course, The Environmental Assessment Act did not apply to the private sector at that time. They had been confining it to the public sector ever since it was passed in 1975, because apparently they felt that we needed more experience in environmental assessment and that the private sector should be allowed to go ahead exploiting and polluting and developing without any requirement for environmental assessment until such time as the government chose to extend the Act to the private sector.

Finally, under pressure, they brought the Reed proposal under The Environmental Assessment Act as a special designation, by an order in council on December 10, 1976, but actually the extension of the Act to the private sector was not made until January 16, 1977. That little discrepancy, I am told, is permissible under the law. They bring it under, and then it becomes effective when the Act is extended to that particular sector. That seems a rather backward way of doing things.

After they had brought it under the Act, they then decided that perhaps The Environmental Assessment Act wasn't the best vehicle for examining not just the impact from an environmental sense but the whole question of the impact of this proposal on northern development, on management of our resources, on jobs in the north and on our native people's livelihood in the north.

So this is why we have this particular amendment. I presume that this is the motive. The government could have proceeded by way of a royal commission, or a particular inquiry into the Reed Paper proposal only by special legislation, but it apparently chose instead to bring in this sort of omnibus amendment to The Environmental Assessment Act, which gives it the power to appoint persons to study almost any question that could be considered related to the environment at the government's request, and to have the full powers of a royal commissioner or a person acting under The Public Inquiries Act.

We had some reservations about whether this was the best way to deal with the Reed Paper inquiry, or whether we should have an Act which actually spelled out the terms of reference of the Reed Paper inquiry and which spelled out the kind of objectives we wanted for that inquiry and the kind of considerations that inquiry should take into account. However, we have decided to support the bill, but to regard it as an opportunity to indicate to the government and to Mr. Justice Patrick Hartt—it is reported that he will be appointed to head up an inquiry under this amendment when it is passed—what sort of questions the inquiry that is to be instigated—presumably the first one under this amendment— should consider and attempt to answer.

I'm not sure whether adding this rather broad section to the Act means there is less of a strict environmental assessment of any given project. I don't think we want to let the government off the hook on that. The whole point of bringing in The Environmental Assessment Act in 1975 was to insist that no project should be initiated, expanded or altered without an environmental assessment, and that must be part of the Reed

inquiry. But we recognize it is a much broader question; that the interaction of the Reed timber grant and the whole development of northern Ontario and of the northern Ontario economy is very important and cannot be considered in isolation.

We also feel that the legislation has limitations on what we as a Legislature can do to influence that inquiry. For instance, we do not have any control over the actual terms of reference, although the minister has supplied us with some draft terms. We do not have any control over the budget, which may be quite inadequate for the kind of study we want. We do not have any control over the degree of public participation which the terms of reference envisage will be funded. Certainly in an inquiry of this sort we do not want a David and Goliath situation, where the big companies with all the lawyers and the ability to charge their costs up to their income tax—

Mr. Conway: Now, now; easy, easy.

Ms. Bryden: —are able to present briefs and presentations that go on—

Mr. Conway: What does the member for Riverdale (Mr. Renwick) think about that?

Ms. Bryden: —for days and days, and have lawyers there at $1,000 a day for days and days. The people who are also affected, the people who live in the north, the people who make their livelihoods out of the north, cannot afford that kind of presentation. We must provide public funding to individuals and groups so there is an equality of presentation between the various interests. I think that is very important. The members of the government must assure us they are prepared to ensure through the budget that they provide for the funding of public participation.

We would hope, also, that under this legislation the government can refer different projects to any person who is appointed to conduct an inquiry under this section. We would hope that whenever it contemplates referring a specific project to the appointee that it would bring it to this Legislature for debate so that we can have some input regarding which projects should be referred to a particular appointee and what his terms of reference should be on that specific project. There is a danger that with that power under this legislation, the government will refer a great many projects to an appointee and he will not have time to do a proper job on each one. I would hope that for this particular inquiry the Reed Paper inquiry will be paramount, that we will have a great deal of attention paid to that very large proposal.

[9:15]

We are concerned about how this amendment will be used. Whether it will be a sort of basket in which the government puts hot potatoes; or whether it will actually be directed toward the development of an economic plan for northern Ontario—a plan which will take into account the environmental impact of any project and the effect it will have on the residents of northern Ontario, including the native peoples; a plan which will ensure the preservation of our renewable resources; a plan which will ensure jobs, not only now from the immediate exploitation of our resources but for future generations, jobs which can be based on the exploitation —in the finest sense of the word exploitation —of our natural resources: our timber resources, our mineral resources, our water resources and our human resources in the north.

We must look at this legislation in the sense that we need it to provide the government not just with information but with a plan for northern development, a plan which will reconcile environmental concerns and economic and social concerns. Sometimes these are in conflict. You can't always make the maximum number of dollars if you are going to preserve the environment or if you are going to preserve our resources for future generations. That reconciliation is, I think, the most important part of the job that Mr. Justice Hartt has been given, and I have confidence that he will address himself to that very important problem.

One final thing, Mr. Speaker: I would hope that the government in its terms of reference will propose that interim reports, with recommendations for legislation, should be brought in periodically during the course of the inquiry that is proposed and that the government will then proceed to act with promptness on such legislative proposals. The north cannot wait forever for economic development.

Mr. Deputy Speaker: The member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker. You look quite natural in that seat, if I may say so.

Having listened to the previous speaker it would appear that after the demise and decline of the NDP they must have had to lay off all their research staff and that there is no one left there to come up with any facts, figures, and even any historical background to the bill that we are debating.

So just to fill you in, Mr. Speaker, I would like to straighten out the member who just spoke on some of the NDP positions, and some of the things they said in the last Legislature with regard to development in northern Ontario and timber limits and things like that.

Mr. Mackenzie: We listened to the bull-roar before, but we will listen to some more.

Mr. Reid: The member was speaking about the fact that the government was giving away some 18,000 square miles of timber limits in northern Ontario, and what a terrible thing—

Hon. Mr. Bernier: Land; she said land.

Mr. Reid: Land? Well, her terminology left something to be desired as well. But, said the member, here was this government giving away 18,000 square miles of timber resources in northern Ontario, and what a terrible thing this was—

Mr. Philip: What would you give away?

Mr. Reid: What she didn't tell us, Mr. Speaker, was that three or four years ago, in an NDP riding, the government gave a grant of some 6,000 square miles to Kimberly-Clark to proceed with their exploitation of northern Ontario—

Interjections.

Mr. Reid: —to provide jobs in that particular NDP member's riding. That particular NDP member got up at the opening of the plant in his riding and said what a great thing Kimberly-Clark was doing and what a great government it was to provide the resources so that this company could provide jobs.

Hon. Mr. Bernier: You are so right; you are right on.

Mr. Reid: Mr. Speaker, you can't have it both ways. I suppose if the proposed Reed proposition had been in an NDP riding, my friends in the third party—and I must admit to a certain satisfaction, Mr. Speaker; I was going to try and forego the pleasure but I can't.

Interjection.

Mr. Reid: Were this proposal to be in an NDP riding perhaps their approach and attitude might have been a little different—

Interjection.

Mr. Reid: —but I just want to set the record straight on that.

The other thing, Mr. Speaker, was that the hon. member who just spoke referred to funding so that people could come and make their opinions and points of view known to what I think we can safely refer to as the Hartt inquiry. Now I want to refer you, Mr. Speaker, to something that another NDP member said when the proposals came up to hold public hearings. The minister, now of northern affairs, said we should have a public hearing in Red Lake which is going to be directly affected by the Reed proposal. Now the response of this particular NDP member, from Sudbury East, to a public hearing in northern Ontario was, "Where the hell is Red Lake?"

Mr. Laughren: That's really profound.

Mr. Reid: Now an NDP member from northern Ontario, supposedly concerned about northern Ontario, supposedly concerned that southern Ontario is always telling us what to do, a northern member and an NDP member says where the hell is Red Lake in northern Ontario.

Now what kind of hypocrisy is this? You can't have it both ways.

Mr. Sargent: Where the hell is it?

[Laughter]

Mr. Reid: It's always your friends, Mr. Speaker. It's always your friends.

Mr. Lewis: About 11 miles this side of Chesley.

Interjections.

Mr. Reid: Mr. Speaker, on the principle of the bill—

An hon. member: Good idea.

Mr. Reid: —section 24c of Bill 2 proceeds thusly: "The purpose of an inquiry and report under this part is to provide information and advice to the minister." And basically I believe, Mr. Speaker, that this is all the Hartt inquiry is going to do.

The government found themselves in a bind. They found that the terms of reference for operating the province of Ontario had changed. They were forced by the combined opposition and public opinion to do something about development and the way development was proceeding in northern Ontario.

I am hoping, Mr. Speaker, that the one thing that will come out of Justice Hartt's report is some guideline for development in northern Ontario, because time and time again people on both sides, have asked in this House what are the guidelines for a development—whether it's forestry, whether it's mining, whether it's gas, whether it's oil, whether it's secondary industry—what are the guidelines under which free enterprise capital operates in northern Ontario? Who pays for the social services like schools, hospitals, sewers and water and so on?

Mr. McClellan: The people.

Mr. Makarchuk: Maybe you should ask that question now.

Mr. Reid: Who provides all the hard and soft services that go with an industry?

Mr. Makarchuk: Are you asking that question now? Who the hell do you think does it?

An hon. member: What kind of language is that?

Interjections.

Mr. Reid: It's interesting, Mr. Speaker, that the leadoff speaker for the NDP was from southern Ontario and the interjectionist is from southern Ontario. I don't know where the rest have gone tonight but perhaps we'll hear from them.

Mr. Conway: They're having tea at Minaki.

Interjection.

Mr. Reid: Yes, they want the member for Scarborough West (Mr. Lewis) back after he resigns.

Mr. Lewis: In the dead of night I will return.

Mr. Reid: The primary result of the Hartt inquiry has to be to lay down guidelines for development in northern Ontario. The problem is, as with all of these things, that the bill does not require of course that the government accept any of the proposals or recommendations of the Hartt inquiry. As a matter of fact, if you look at page five of the bill, section 24(2) states: "A report under this part is not binding with respect to any decision or determination under this Act."

I suppose we can understand that in the sense that the government has to have the authority to act in the best way it thinks possible. But time and again, in the House and in letters, the Treasurer (Mr. McKeough), who up to this point has had the responsibility for economic development, has stated in reply to questions: "We're doing it on an ad hoc basis, so that neither the company that's going in to operate, the people who live in the area, nor the government agencies themselves, know who is going to be responsible for what, who is going to pay for what, who is going to be responsible when these one-industry towns phase out." I hope, incidentally, that one aspect that Mr. Justice Hartt will spend a great deal of time on is the concept of one-industry towns in northern Ontario, because that is one of our major problems.

I don't want to go on at great length, Mr. Speaker, except to say that we support the principle of the bill.

Mr. Conway: More, more.

Mr. Renwick: Please do.

Mr. Reid: We have some concerns about it. We have the concern, particularly, of time, because it's quite conceivable that his bill and this inquiry could go on at great length. It's quite conceivable that we could have another LaMarsh commission or a Berger commission that goes on for an extended period of time. The consequence of that very well could be that all development north of the 50th parallel will come to a stop and that nothing will take place that could be of great benefit to all the people who live in northern Ontario.

I would hope that Mr. Justice Hartt will be aware of the time constraints, that he will study development in the north, that we will have a report, as Mr. Justice Hartt has indicated possibly within three years – I would hope sooner than that—but that we will have guidelines so that all are cognizant of how development will take place in northern Ontario.

Mr. Laughren: Where are the facts and figures?

Mr. Deputy Speaker: I recognize the member for Port Arthur.

Mr. Conway: Where the hell's Port Arthur?

Mr. Foulds: The previous speaker said that he did not want to speak at great length, Mr. Speaker. I can only comment that his lack of length was matched by his lack of depth.

An hon. member: Right on.

Hon. Mr. Timbrell: We have had better.

Mr. Foulds: I rise to support the bill, although I have a feeling it may have been preferable to have a commissioner examine the questions that Mr. Justice Patrick Hartt is going to examine; it might have been preferable to set the inquiry up under The Public Inquiries Act rather than through this method, through The Environmental Assessment Act. Nevertheless, I think the objective the government wishes to achieve is the one that we wish to achieve.

[9:30]

Mr. Justice Hartt is not going to have an easy job. It's probably one of the most difficult jobs that has ever been taken on in this province—perhaps even more difficult than the job that Thomas Berger took on in Canada; it's an extremely complex, diffi-

cult job. There is a difficulty that faces us as legislators because we are dealing both with amendments to an Act when a separate Act may have been preferable, and we are also dealing at second remove with the terms of reference that have been made public but which this Legislature at this time has no direct authority over. I can only hope that the broad terms of reference that have been proposed will give Mr. Justice Hartt the scope that is needed; and I can only pray that he will have the resources available to him to define his job clearly so that we can come up with a workable plan for cultural, social and economic development of the north.

These amendments, of course, although the amendments themselves have no direct reference to Reed Paper, have had their genesis in the Reed Paper memorandum of understanding. What a strange document that is. I really would like to know if the government has ever before signed a memorandum of understanding with any private corporate developer, because as we read that document it has all the earmarks of having been a memorandum of agreement that was hastily shifted in midstream. It certainly has all the earmarks of a solid contractual arrangement—

Mr. Laughren: If Leo had his way, it would have been.

Mr. Foulds: —between the government and Reed Paper.

Mr. Laughren: That was Leo's doing.

Mr. Foulds: The concern that arose, and I believe it arose in the north as strongly as it did in the rest of the province, was that the Reed project was so monumental in scope that if it was proceeded with immediately it would have precluded any rational planned development of the region, that by one stroke of the pen we would have been prevented from looking at the region as a whole and coming to a sane, rational conclusion about how it should be developed and what, in essence, should be developed in the area.

The reason it would have precluded any rational plan is because of the capital-intensive nature of the project, the huge amount of capital that would have gone into it. After all, $400 million is a very large investment, and for the creation of 1,200 jobs that means we would be investing a third of a million dollars to create every single job that the government said the project would create. That is a capital-intensive project.

Mr. McClellan: Money is no object, eh Leo?

Mr. Foulds: It would also, by the nature of the assignment of the tract of timber resources to one company, prevent alternate uses of that tract. For example, my colleague —I won't say friend—my colleague from Rainy River made reference to the previous development, the 6,000 square miles to the Kimberly-Clark company.

Mr. Riddell: You don't have many friends, do you?

Mr. Foulds: Not many, no. I point out that previous development had no settlements, native or otherwise, within the tract, that the tract itself was one-third the size of the single licence projected to be granted to Reed—

Mr. Reid: You are talking about the size of the timber limits. That is what you are talking about.

Mr. Foulds: —and that Abitibi, interestingly, which supplies mine mills in the province, has seven licences and its total licensed area for those seven licences is 16,000 square miles, so the size of the tract of land would have precluded, as I say by giving it to one single company, any other possible alternative development.

What some of us found disturbing, too, last September was when the then Minister of Natural Resources was quoted in Thunder Bay as saying the north could never expect any large development of secondary industry —that we had to depend upon resource exploitation and tourism for any development.

Mr. Laughren: Who said that?

Mr. Foulds: That was the former Minister of Natural Resources, the now almost Minister of Northern Affairs, the member for Kenora (Mr. Bernier).

Mr. Warner: He was a natural disaster.

Mr. Laughren: The Treasurer (Mr. McKeough) said it too.

Mr. Foulds: And what also was disturbing was that the then president of Reed Paper—

Mr. Laughren: The albatross of the north.

Mr. Foulds: —R. W. Billingsley, said that the mill proposal—

Hon. Mr. Bernier: You lost three this time. Next time you will lose three more.

Mr. Makarchuk: For $3 million a seat we would have won the election, Leo. You can always fool the people some of the time, Leo. You're past experts on it.

Mr. Havrot: For 34 years we've done it to you. Look what happened out in BC—36 months.

Mr. Deputy Speaker: Order, please, The member for Fort William has the floor.

Mr. Foulds: No, the member for Port Arthur has the floor, Mr. Speaker.

Mr. Deputy Speaker: Port Arthur, sorry.

Mr. Havrot: He hasn't come down to earth yet.

Mr. Laughren: It will be a while before the member for Fort William has the floor, I'll bet you.

Mr. Foulds: What was also disturbing, Mr. Deputy Speaker, was that the then president of Reed Paper, R. W. Billingsley, was quoted in the Thunder Bay newspaper last fall as saying—

An hon. member: Where's he now?

Mr. McClellan: The late Billingsley.

Mr. Foulds: —that the mill project at Ear Falls, and I quote, "would provide raw kraft pulp to feed the jaws of the hungry mills of the United States."

Mr. McClellan: Fabulous.

Mr. Laughren: Sounds like Mr. Bernier to me.

Mr. Foulds: So in economic terms—

Mr. Laughren: Did Mr. Bernier say that?

Mr. Foulds: No.

Mr. Warner: The same speech writer.

Mr. Foulds: So that in economic terms, one of the frustrations we in the north felt was that the project, while creating some jobs in the north, would permanently ship out even more jobs from the north. We had the feeling that the mill project must not be planned if it were to preceed in isolation, that we had to consider it as part of the economic strategy of northwestern Ontario. One of the dangers in northwestern Ontario is turning Thunder Bay into the Toronto of northwestern Ontario. We in Thunder Bay don't want that and the people of northwestern Ontario don't want that.

Mr. Renwick: Neither does Toronto.

Mr. Foulds: Industry and development must be planned so that it is diversified throughout the region. To ensure that diversification, we must insist that the many jobs already in existence in the Reed proposal area associated with trapping, fishing, small manufacturing of leather goods, and furs, are not ploughed under by an overdevelopment of the forest industry.

For example, the Ministry of Natural Resources reports a total trapping income from the area of the Reed proposal of $500,000 alone in 1975; and $500,000 in annual income in an area like that is not to be sneezed at.

The major problem facing Mr. Justice Hartt will be that for 110 years the development of northern Ontario has been handled on an ad hoc basis. It has been developed or, one should say it has been exploited, not for its own benefit but for the benefit of the south, for the benefit, first, of Great Britain and Europe and more latterly for that of the United States, and presently for that of the metropolitan area of Ontario, the "golden horseshoe." The social, cultural and economic needs of the north and the social, cultural and economic needs especially of northwestern Ontario have always, even in their own planning and development, taken second place to those of the south.

For example, the Hedlin-Menzies report of 1969 pointed out that of every 10 jobs created directly or indirectly by the forest industry, six of those jobs were in southern Ontario. The Reed proposal would have confirmed and accelerated that trend. The region of northwestern Ontario, that is, the districts of Thunder Bay, Rainy River, Kenora and the Patricia portion, contain 58.9 per cent of the land mass of this province. We have only 3.2 per cent of the population. What that indicates to us in northwestern Ontario is that some development can take place, but it must take place carefully and it must take place in a planned framework.

If, and I underline the if, Mr. Justice Patrick Hartt finds that the Reed project should proceed, then it clearly must be part of an integrated plan for the whole north. I would like him not to get bogged down in specific proposals referred to him by the government but to treat the Reed project symbolically. With the economic difficulties and the corporate difficulties that Reed presently finds itself in, it may very well turn out to be symbolic. I certainly hope—well, I know—that the inquiry will proceed whether or not Reed withdraws from its memorandum of understanding with the government.

Mr. Lewis: What is the status of the memorandum?

Mr. Foulds: What I am hoping is that Mr. Justice Hartt will come up with a blueprint for the proper and full use of human, natural, social and cultural, and economic resources of the north. I have a feeling if the job can be done well and properly—and I am sure Mr. Hartt can do that job properly—we can come up with a genuine plan for what at the turn of the century was called new Ontario. If we fail to come up with that plan, we will have failed future generations not only of the north but of this whole province. I would hope that the commissioner can come up with a plan that all provincial governments since Confederation in this province have failed to come up with.

After all, the much-touted Design for Development of the late sixties is clearly out of date. It clearly made a very bad mistake in emphasizing only resource development and tourism development. It itself has led to a distortion of the development of the economy of the northwest. As I say, Mr. Justice Patrick Hartt has a tall order because every government in this province from Confederation on has failed to come up with a coherent plan of development and land use in the north and northwest.

As I said previously, what the region needs is diversification. The one-industry towns must have their base broadened so that if one industry ceases to exist, the town does not go under and does not become a ghost town or merely a dormitory town, but that we continue to use the municipal infrastructure that those towns have, that we begin on day one, for example, of a mine opening anywhere in the north, to develop alternative industry to pick up the slack as the employment in the mine declines and eventually ceases—because the opening of a mine is the first stage in the death of a town that supports that mine.

[9:45]

We need to develop a plan so that we do not denude the region for the city of Thunder Bay because the city of Thunder Bay itself will benefit if the region is strong. Its social costs will be less if the region is strong. The city of Thunder Bay will be stronger if it has a strong hinterland, a region of which it is a primate centre.

I think the most moving experience I have had as a politician took place last November in Red Lake, when I spoke to a panel sponsored by the steel workers in Red Lake on November 19. One of the spokesmen for the native people got up and spoke very briefly but very movingly, and said, "We do not hate you. We love you people. Surely we can work this out together?" I thought to myself, on that platform in Red Lake, if despite what has happened to our native people in this province over the last century, a spokesman for them can still make a statement like that—so simple and so direct and so moving, and so full of good will—surely in the north we still have a chance to develop in a way where cultures will not clash, we will develop in a way where we can sort out some priorities, where we can preserve our environment, where we can preserve a sense of humanness. I firmly believe that if anybody can bring that kind of plan to the north, Mr. Justice Hartt has a duty and a responsibility to do so, and I say to him, Godspeed.

Mr. Hennessy: Mr. Speaker, generally I have to agree with the previous speaker. We are not enemies, we are friends. I do not take my politics to bed.

I think the city of Thunder Bay and the north will profit if Reed Paper does get the go-ahead and if this study is successful. I have been a northerner all my life, or the majority of it, and I think it will do much for the northern area. I think it is nice to have criticism, but I've never seen criticism provide any jobs. We can criticize all we want, but the longer we criticize the less we're going to get done.

I think if the study proves to be satisfactory it will ensure employment in the north—and if some of you gentlemen don't know where the north is, there is a lot of seasonal unemployment there, a lot of people out of work in the wintertime, and things get very difficult, and it gets very, very cold. You people are very fortunate to live down here.

Mr. Roy: Is that why you came down here?

Mr. Hennessy: No, I came down to see you. The only thing is, I met you in the park, and I had a hotdog, and thanks very much.

I think in all due respect—

Mr. Conway: Is this a new coalition?

Mr. Hennessy: No, I think in all due respect, Mr. Speaker, Mr. Smith knows I shook hands with him in the park and he came over to my committee room. I appreciated shaking hands.

Mr. Lewis: You appreciate almost anything.

Mr. Hennessy: Why not, sir, why not?

Mr. Conway: A good Irishman at that.

Mr. Hennessy: Why not? There's not many of us left.

In all due respect, I must say I hope all the parties can get together—the first party, the second party, and the third party—and come to some agreement that will ensure employment for the north. As a northerner, I fully support the plan.

Mr. Deputy Speaker: The hon. member for London Centre.

Mr. Peterson: Thank you very much, Mr. Speaker.

Mr. Lewis: Oh shame.

Mr. Maeck: Eddie was up first.

Mr. MacDonald: There are only two classes in here—first class and second class.

Mr. Peterson: You've made me feel very bad, Mr. Speaker—

Mr. Deputy Speaker: Order, please.

Mr. Peterson: —and had I known that he wanted to speak—

An hon. member: We knew, we were telling you.

Mr. Peterson: —I would have gladly relinquished—

Mr. Sargent: We raised $10 for the spot.

Mr. Peterson: —I would have gladly relinquished my space to him, Mr. Speaker.

An hon. member: Come on, why don't you relinquish it?

Mr. Peterson: And in fairness, he being from Owen Sound, he is closer to the north and is probably a greater authority on it than I am.

I want to congratulate you on your appointment as Deputy Speaker. I think that's a great appointment and we in this caucus are very proud of that. In fairness, I should tell the members of the House that at one time it was my great privilege to drop through the town of Mitchell, Ontario—

Hon. Mr. Welch: Is that where you bought that suit?

Mr. Peterson: —and I met the local member. He very kindly invited me into his home for a drink. As I was sitting there, with my drink on the table, a chap walked into his house and took the table; he put it under his arm and walked out of the house. I assume it was the bailiff. Anyway, I just want you to know that I hope that doesn't happen to the chair while you're in it, Mr. Deputy Speaker.

I have two or three reactions, and I want to share these with the members tonight. I think it's a testament to the fact that minority government works and, hopefully, gets better results, that we are here tonight discussing this bill. I have no doubt whatsoever that had there not been minority government we would not be here; we would not be into the Hartt inquiry, and would not get the kind of results that we're all expecting out of this.

This was an intense case of political pressure. I give a great deal of credit to the people of the third party—and it's so nice to say that, "the third party." Even though I fundamentally disagreed with some of the approaches expressed by them at that time, as I disagree with many of them expressed now, I do feel that because they brought it to light and because we brought our position to light, we were able to apply that pressure which has had a healthy result to this point in time. I say to those cynics who state that minority government does not work, this is one example, among many, of why it does work.

Mr. Renwick: The cynics are all over there.

Mr. Conway: Those new Tories cost $5 million each.

Mr. Peterson: I have a couple of reactions—

Mr. Conway: My God, they're an expensive lot over there. Hope we get some good out of you, Ed.

Mr. Peterson: Are you finished? Good man.

Mr. Conway: Six million dollars apiece. I don't know if you're worth it or not, Ed.

Hon. B. Stephenson: Well, you are not.

An hon. member: The six million dollar man.

Mr. Deputy Speaker: Order, please.

Mr. Peterson: I am not particularly happy about the fact that we have broadened The Environmental Assessment Act in order to handle this inquiry. The proper place for this would have been a public inquiry. It seems to me it makes a mockery of The Environmental Assessment Act. We have broadened so substantially the meaning of the word "environment" that it loses almost all meaning in this context. We are looking at native rights, we're looking at economics, we're looking at all the broad sociological and economic implications of this particular project and it doesn't, in my judgement, fit particularly within this Act.

We are going to support the Act because it's better than nothing. But the whole thing —the political aspect and then finally bringing it to the people of this province under this Act—speaks to some very serious mismanagement and a great deal of superficial thinking on the part of the government. We are here only because the government was forced into it. They have to grant that.

Hon. B. Stephenson: Absolute hogwash.

Mr. Peterson: But had the government thought it out, I think it would have been far easier on their nerves and on our nerves—

Hon. Mr. Kerr: You didn't give us time.

Mr. Peterson: —and to the benefit of the people in the north, if this thing could have been handled far better than it has been.

Mr. Laughren: Tell us how.

Mr. Peterson: I remember the debates, I remember the discussion. I remember that discussion over the so-called memorandum

of understanding and I can tell the House it was one of the most disgraceful displays that I've seen by the government; there were several ministers involved.

I'm very happy about one thing. I'm very happy about the appointment of Mr. Justice Hartt. I have some experience with the gentleman through going to law school, through listening to him speak, through reading several things that he has written, and I am very much impressed with his sensitivity, with his intelligence. I can't imagine a better commissioner in this particular instance. I feel very confident already, knowing he is there, that we will get the kind of result we will all be proud of. For that I compliment the government.

I wish it had happened a different way. It hasn't. We will happily support it. We will live with it. I can assure you, Mr. Speaker, that all members of our caucus, particularly those of our people who are very well skilled in the problems of the north and know the problems, like my colleagues from Rainy River and from Nipissing and others—and I thought that was a magnificent maiden speech of my colleague from Nipissing tonight and I was very proud of him—I think all of those people will have an input into this. I hope the result is right for everyone.

Mr. Speaker: Any other hon. members wish to speak to this bill? The hon. member for Grey-Bruce.

Mr. Havrot: There is the Fonz, man.

Mr. Sargent: Quiet, Ed. Let him speak first, Mr. Speaker.

In line with the other experts here—the members for Nipissing, Rainy River, Port Arthur and Fort William; I think that they have been most constructive in their presentation in support of or against this bill; sometimes it is hard to find out which way they are feeling, whether they are for or against it—I have a few observations on my concern about who is running the store over there. We have the Minister of the Environment (Mr. Kerr) saying one thing and the Minister of Natural Resources (Mr. F. S. Miller) saying another thing. And in these hands we have billions of dollars of natural resources ensconced. The fact is that it is of great concern to me that we have this political football, as the member from—David Peterson said. I forgot where the hell they are from, these guys.

Mr. Foulds: The member from David Peterson?

Interjections.

Mr. Foulds: Where the hell is London South?

Mr. Sargent: Or Red Lake. The fact is that if it had not been for minority government this would never have come under the spotlight of public scrutiny.

Mr. Lewis: That is certainly true. What has happened to Reed Paper? What has happened to the memorandum? I will tell you about Billingsley in our conversation tomorrow.

Mr. Sargent: Good. That will be interesting, Stephen.

Mr. Lewis: Brighten things up a bit.

Mr. Sargent: We have section 24d in the legislation which says "The conduct of and the procedure to be followed on an inquiry, including at a hearing, is under the control and direction of the appointee," Mr. Justice Hartt.

Mr. Lewis: He wants to be Minister of the Environment.

Hon. Mr. Kerr: Oh, I don't think so.

Mr. Sargent: Reed Paper were given, in effect, this contract; about 19,000 square miles or a country the size of Switzerland. A blank cheque. It is incredible that this thing would have gone on and been a fait accompli now if it had not been for minority government. There is no way we would be talking like this tonight if it had not been for the fact that the votes are on this side of the House.

Mr. Peterson: And the good guys too.

Hon. Mr. Kerr: That's what the people thought, didn't they?

Mr. Sargent: We do know that Reed Paper stock is in a nosedive. I understand the president. Mr. Billingsley, has either resigned or plans to resign.

Mr. Lewis: No, he is out.

An hon. member: He has been replaced.

Mr. Reid: That is why you are resigning.

Mr. Peterson: Stephen is a capitalist.

Mr. Sargent: This contract would have given them, prior to the workings of minority government, billions of dollars in inventory in perpetuity, or whatever.

Mr. Peterson: At least for a long time.

Mr. Sargent: And to show you, Mr. Speaker, the magnitude of what we are talking about, some years ago in the Legislature I was very concerned as a small-town politician about the millions of dollars given out to these timber interests in our contracts in the north. I asked a man I admire greatly, John Parmenter Robarts, a question in estimates about the mechanics of these contracts and the millions of dollars involved.

He looked at me across the House—I sat in the front row for a while there.

Mr. Maeck: Is that right?

[10:00]

Mr. Sargent: Yes, I was a wheel then. He looked across at me and said, "I'll take you back a bit. Back in the days of the Hepburn government, there were deals going on then too."

And I said, "How big?"

He said, "Well, they were pretty big."

Mr. Conway: Was that you?

An hon. member: George Henry's Abitibi scandal.

Mr. Sargent: He gave me the time and place from Hansard, and the pages. He said, "Hepburn gave a tax write-off of $148 million to a paper company."

It was under a good Liberal government that that happened. If that could happen under a Liberal government, just think what is going on over there after 34 years.

Mr. MacDonald: Do you mean there are degrees?

Mr. Sargent: I don't know, I'm just making an observation.

Mr. MacDonald: Besides, there was no Hansard back in Hepburn's day.

Mr. Sargent: There wasn't? You were in the House when he quoted those figures. Why didn't you say so then?

Mr. MacDonald: He didn't say it was in Hansard.

Mr. Sargent: He gave me the page and told me to look it up. I guess I was so naive I believed the guy. You ruined a good story.

But it shows the big dollars involved here. I suggest to you, Mr. Speaker, and to the Legislature, that this is defensive action, this bill here is strictly defensive action. It may be costly in terms of jobs. I don't know what is involved in jobs. The members in the north are very concerned about this, and rightfully so. But the Hartt inquiry is going to keep a lot of lawyers in clover for a long time.

Mr. Roy: That's important.

Mr. Sargent: I think it's time we in this Legislature agreed that the lawyers have too much control of our economy and it's time we put a tap on it.

Interjections.

An hon. member: Give it to the school teachers.

Mr. Sargent: Somewhere along the line we are going to get down to the fact that in this economy of ours we have to recognize that the lawyers who are sitting in this House make the legislation for themselves and everything in our lives is controlled by the lawyers. Some time along the line we have to do something about it.

Mr. MacDonald: Are you getting out of politics at the end of this term?

Mr. Sargent: I may be back. Maybe that will hold the member for Ottawa East quiet for a while.

Mr. Riddell: The odd seed merchant did all right too.

Mr. Sargent: Yes, he didn't do bad; and the chairman of the racing commission. A millionaire on the minister's salary, that's not bad.

Mr. Conway: Poor Bill Stewart and Charlie MacNaughton were worn out from losing elections.

Mr. Sargent: A man I have great respect for is Norman Webster. He says in his column of February 16, 1977—

Mr. Worton: That's this year.

Mr. Sargent: You are getting sharper all the time; I'm glad I'm sitting beside you.

He said, "Pat Hartt doesn't intend to fool around. The man who will hold the inquiry into Reed Paper's development plans in northwestern Ontario is planning an odyssey of discovery that will make the Thomas Berger report on the Mackenzie Valley pipe line look like a freshman term paper."

He goes on to say that the Berger report took three years, but Mr. Hartt plans to take at least two years first to examine the social consequences of the development on the population of the north, with special references to the native peoples. At that point, he will turn to the specific plans of Reed to log 19,000 square miles of bushland to supply a new pulp and paper mill. Then he will take delivery of the provincial government's timber inventory of the area and Reed's environmental impact assessment and set forth this time with other members of the board on formal hearings into the company plan. This should take another two years, he says. He says the inquiry could last a full five years.

Overall it's mighty encouraging to see such a dramatic change in the way business is being done between big companies and big government. From now on, he says, it is going to be difficult for any project that affects a whole area and its population to go ahead simply because some executives and planners meeting behind closed doors thought it was

a good idea. That is exactly what happened in this case.

He finalized by saying: "There is but one nagging question: Is it really necessary to take five years to poke and prod the Reed proposal before deciding whether it will be good for the north?"

The then president of Reed Paper, Mr. Billingsley, was telling the stockholders he could see the light at the end of the tunnel. One of his executives disagreed with him and said, "That's not a light at the end of the tunnel; it's a train coming." That's exactly what has happened to the Reed paper company because of the fact they were trying to deal under the table unknown to the opposition.

In finalizing, I say that if it's good for Ontario, if it's going to provide jobs, then let's stop this charade of going through this nonsense of giving a bunch of lawyers five years to decide the future of the north country in terms of jobs and millions of dollars' worth of natural resources.

Mr. MacDonald: Are you going to vote against it?

Mr. Sargent: Let's give them a deadline and say: "Have that thing ready for us in 18 months or else." If you can put a man on the moon, you can sure as hell find out what's going on in the north country for timber. Who is kidding whom?

Mr. Warner: They never bothered before.

Mr. Sargent: Let's stop putting lawyers to work and costing us millions of dollars for all this nonsense. It's time we got back to running this province like a business.

Mr. Worton: So there.

Mr. McClellan: I'm very pleased to rise, Mr. Speaker—

Hon. Mr. Bernier: I thought it was my turn.

Mr. Foulds: He missed his turn.

Hon. Mr. Bernier: I thought it was my turn.

Mr. Speaker: The hon. member for Bellwoods may continue.

Mr. McClellan: Thank you for ruling with your usual iron hand, Mr. Speaker. I'm very pleased to take part in this debate in support of the Act to amend The Environmental Assessment Act.

I think if my kids or my grandchildren ask me what I did in the 30th Parliament—

Mr. Conway: Socialists don't reproduce.

Mr. McClellan: This one does.

Interjections.

Mr. McClellan: We reproduce and multiply. We go forth and multiply; and come the day, we will take over the earth.

Mr. S. Smith: You came third and multiplied.

An hon. member: Today Ontario, tomorrow the world.

Mr. McClellan: As I was saying, Mr. Speaker, if they ask me what we did in the 30th Parliament, I will say we stopped the Reed deal; and I will say that with a great deal of pride and satisfaction. Looking back on the last Parliament and the work that we did, I will say that today, I will say that tomorrow and I will say that as long as I live.

An hon. member: Would Iain Angus agree with that comment?

Mr. McClellan: I will say that we had a part in stopping that deal so the people of Ontario could take a clear look at it and we could assess just what kind of a society we want to create here in Ontario. Now we have The Environmental Assessment Act, and if the minister wants to say that he wants to go ahead with the Reed Paper deal regardless of The Environmental Assessment Act amendment and regardless of the Hartt inquiries, let him have the guts to stand up and say it, because that's what he wants to do.

Mr. Lewis: That's right; that's what he wants to do.

Mr. McClellan: That's what he runs around northern Ontario saying he wants to do, and yet he doesn't have the courage to stand up in this House and say precisely what he wants to do and what his real intentions are.

Hon. Mr. Bernier: If the member will sit down, Mr. Speaker, I will be glad to put it on the record.

Mr. McClellan: I will sit down when I have finished.

Mr. Foulds: Are you going to vote against this Act?

Hon. Mr. Bernier: I will put it on the record.

Mr. McClellan: I'll be pleased to sit down when I conclude my remarks, Mr. Speaker, and the minister will have full opportunity to present his position whether or not it is consistent with government policy.

Mr. Turner: You make a challenge and you won't go ahead.

Mr. Havrot: How far north do you live?

Mr. McClellan: I said I'm pleased to speak on this bill, because I have a real association with northern Ontario, having lived—

Hon. Mr. Bernier: Southern Ontario again.

Mr. Lewis: We didn't lose those seats because of the Minister of Northern Affairs. It won't happen next time, now we know what he is.

Hon. Mr. Bernier: You got caught in your own trap.

Mr. Speaker: Order, please. The member for Bellwoods only has the floor.

Mr. Havrot: Bellwoods where? Kenora?

Mr. Speaker: Order. We cannot even hear the speaker; now let's have fewer interjections. The hon. member for Bellwoods will continue, please.

Mr. Warner: Why don't you resign?

Hon. B. Stephenson: Do you know any other words? Really, you have a one-track mind.

Mr. McClellan: Thank you, Mr. Speaker.

Interjection.

Mr. Warner: Why doesn't the member for Timiskaming (Mr. Havrot) resign?

Mr. Conway: Either that or we'll put him back in the warehouse.

Mr. McClellan: I do have an association with northern Ontario—

Mr. Havrot: Northeastern or northwestern?

Mr. McClellan: —having worked in the community of Hearst and having lived in the community—

Interjections.

Mr. Speaker: Order, please. The hon. member for Bellwoods has the floor.

Mr. McClellan: Thank you, Mr. Speaker. I can't understand why they're being so restless and cantankerous.

Mr. Speaker: Would you just continue please and stick to the principle of the bill?

Mr. McClellan: Yes, indeed I will.

Mr. Lewis: He has been on the principle of the bill.

Mr. Sargent: That's the new Chicago gang over there.

Mr. Speaker: Order, please. The hon. member for Bellwoods.

Mr. Havrot: Northeastern or northwestern?

Mr. Speaker: Order.

Mr. McClellan: I had, when I was going through my file, found some of the first instances of the coming of the Reed deal to our attention, a communication from Grand Council Treaty No. 9 back in January 1976, a communication to me from Dick Proctor, who was the assistant to the then Leader of the Opposition in February 1976, indicating the very first revelations of the size and scope and extent of the Reed Paper deal by Chief Rickard and other spokesmen from Grand Council Treaty No. 9, and we watched that seemingly insignificant issue develop like a snowball into an issue that caught the imagination of the people of Ontario and symbolized for them the very real crisis in northern development that faces us.

In the months that followed, in the months of debate and discussion, there were many different presentations and formulations of what was at stake and what was involved in the Reed Paper deal and in the memorandum of agreement and in the government's zealous concern for the Reed Paper company. Nothing that I ever came across was as to the point and as moving as a very short statement that was put out in August 1976 by the chiefs of Treaty No. 9. It is short and I want to read it just to remind you, Mr. Speaker, and the members of the House what this is all about.

"We the chiefs of the Treaty 9 area of Ontario gathered together on August 12, 1976, hereby make the following declaration: Whereas the Cree-Ojibway people are the true owners of the land, its future is ours to determine; whereas the Cree-Ojibway people, the true owners of the land, will determine whether or not any development suggestions in northern Ontario are for the benefit of the Cree-Ojibway people, and whereas the proposed Reed expansion scheme, several proposed mining schemes and proposed hydro development seriously threaten the economic and community survival of the Cree-Ojibway people, we, the undersigned chiefs and councillors, hereby declare: (1) that our land is not for sale; (2) that the province of Ontario must immediately stop all negotiations with Reed; (3) the government of Ontario must immediately call an inquiry into resource development north of the 50th parallel, and (4) our full support for the president of Grand Council Treaty No. 9 in their efforts to protect the land from destruction."

It's signed by all of the chiefs from all of the bands in the Treaty No. 9 area, some of which I can read, some of which are in Cree syllabics and I cannot read.

We stand here today, some months later, with the amendment to The Environmental Assessment Act which fulfils demand number three of that statement in August 1976, that the government of Ontario must

call an inquiry into resource development north of the 50th parallel, and I take a great deal of satisfaction that that has come about.

We can speculate on why the memorandum of understanding was signed at all. Not wishing to steal the thunder from my leader, but I would like to suggest that—

Mr. Conway: Big thunder. Big thunder.

Mr. McClellan: —the Reed agreement was signed simply to open up a line of credit to the Reed Paper company in order to bail them out of a financial mess, and we now realize the extent of that financial mess, and we see now, through the dismissal of Mr. Billingsley and other officers of the corporation and the slump in the value of Reed's stock, just how much trouble indeed that large multinational corporation was in, and we can speculate that the purpose of the memorandum of understanding in the first place was to bail out a company that was on somewhat shaky ground.

[10:15]

What a cost that bailing out represents. That memorandum of understanding makes no more sense to me today than when we first were aware of its contents. It represents a simple catastrophe, a catastrophe for the people of Treaty No. 9, the native people who would be living in the affected areas and adjacent to the affected areas. It represents a catastrophe for the people of northern Ontario and, indeed, for all of this province because it represents the final squandering of our once-abundant forest resource heritage.

When I suggested we should have a moratorium on development north of the 50th ptrallel, it drove Tory cabinet ministers into paroxysms of rage and displeasure.

Mr. Lewis: Leo Bernier was hospitalized.

Mr. McClellan: He was hospitalized with rage, Mr. Speaker.

Mr. Havrot: Oh, you phoney do-gooders—

Mr. Foulds: And Havrot and Pope are going to be close behind him.

Mr. McClellan: The Minister of Housing was livid and incensed and travelled the length and breadth of northern Ontario denouncing the pernicious and hideous suggestion that there should be a moratorium. Yet, this is precisely what we have with this bill.

Mr. Havrot: Why don't you move up to the north and see what it's all about?

Mr. McClellan: This is precisely what the Hartt inquiry represents. It represents a moratorium. There will be close scrutiny. There will not be additional development—

Hon. Mr. Kerr: Let's hope it doesn't moratorium it to death.

Mr. McClellan: Sorry? Well, what are your hopes? What are your aspirations? I hope you will explain to us just precisely what it is you are proposing. Mr. Speaker, if I may suggest, the Tory cabinet ministers—

Mr. Havrot: That is the NDP. No desire for progress. That is what your philosophy is about.

Mr. McClellan: —should stop talking out of both sides of their mouths. Either they want to take a calm and dispassionate look at the kind of development that we want in northern Ontario or they want the old kinds of destructive and exploitative development practices to continue, but they can't have it both ways. Much as they would like to have the Hartt inquiry and the Reed Paper deal proceeding simultaneously, they simply can't have it. That causes some to gnash their teeth, and we only can express our concern that the new Minister of Northern Affairs is not hospitalized again out of sheer rage and displeasure.

Mr. Havrot: That's more than what you'll ever know about the north.

Mr. Speaker: Order, please.

Mr. McClellan: We have a number of specific concerns about the Hartt inquiry that I'd like to touch upon. The Hartt inquiry is, as we had asked, very broad in scope. It is not limited to the specifics of the Reed Paper deal but calls for a broadly based inquiry into the whole gamut of development issues affecting the north. It is, indeed, so broad in scope that that can represent potentially a certain problem. There is clearly a need to delimit the breadth of the scope. It is clear that all of the potential issues that could be examined under the amendment and the proposed terms of reference could occupy commissioner Hartt for the rest of his life. That is without exaggeration, as I think the minister will agree.

Hon. Mr. Kerr: You had better speak to Chief Rickard if you want to change those.

Mr. McClellan: I said, in preface to these remarks, that we are very pleased that it is a broadly based inquiry not limited to the specifics of the Reed Paper deal, and that's what I meant. It would be a very difficult thing for commissioner Hartt to look at the Reed Paper deal, the various mining schemes that are proposed, the potential polar gas activity in northwestern Ontario—not to mention northeastern Ontario, not to mention the issue of the development of the James Bay lowland area, not to mention the

possibilities of coastal development. One could enumerate for hours, literally, possible subjects of examination. I am simply saying what ought to be common sense—that there is a need to delimit; and, as I understand it, the legislation empowers the commissioner to so delimit. I think it would be useful in this debate if those of us who are participating address ourselves to the need to delimit and to some things that the commissioner may wish to explore himself, because he will clearly have to be making a series of decisions and judgements around what he looks at, when and for how long.

I would like to suggest that of paramount concern to the commissioner and the inquiry must be the interests of the native people of the Treaty No. 9 area. I say this for two reasons. First, Ontario is a signatory to Treaty No. 9. That gives Ontario a unique relationship to the communities of Treaty No. 9, north of the 50th parallel. We are partners as a province to the treaty and in no other instance is this the case. This gives, it seems to me, a special responsibility to the government of Ontario and to this inquiry to focus upon the needs and interests and concerns of the native people.

Second, it is evidently and tragically clear that present development patterns, traditional development patterns, traditional ways of exploiting our resources and building economies in the north are clearly incompatible with traditional native communities. Traditional exploitation patterns are disruptive and destructive. They obliterate communities. They obliterate cultures. They destroy societies. They are the cause of social breakdown. They are the cause of community disarray. They are the cause of personal tragedy on an unparalleled scale.

It is our traditional interventions in isolated areas that precipitate the social and economic and cultural breakdowns that so sadly characterize many Indian communities. This is an utter tragedy. It is unnecessary. We have an opportunity north of the 50th parallel to prevent this kind of thing from happening again. The Hartt inquiry can focus on this tragic reality.

Commissioner Hartt has the power and the possibility and the opportunity to engage in a dialogue with the native communities north of the 50th parallel in the Treaty No. 9 area, to look at the devastating effect of current disruptive development, current projects that are already under way, the Umex mine, the St. Joe's development. He has the opportunity to look at new modes of development which will—

Mr. Reid: What is at St. Joe's?

Mr. Speaker: Would the hon. member just continue with his own speech?

Mr. McClellan: Yes, thank you. I didn't understand the interjection.

Mr. Lewis: Lake St. Joseph.

Mr. McClellan: The commissioner has the opportunity to explore new modes of development that will benefit native people. The commissioner has the opportunity to look into the implications of Treaty No. 9 as it affects the communities north of the 50th parallel. Let him, therefore, determine the patterns and forms of development which will meet the unique needs of Ontario's native people; which will enable them to create their own future and to achieve their own destiny and to come to terms with their own environment, their own history and their own traditions; and to create in their own time and in their own way—free from outside pressures, free from the kinds of inevitably destructive and devastating economic development projects which distort and destroy communities and traditions —their own economies and their own societies.

Let him look at the kinds of technical and financial assistance that the people of Treaty No. 9 need to create their own economy and their own communities. Let the commissioner define and delineate the proper role of the government of Ontario, as a signatory to Treaty No. 9, in supporting with technical and financial aid the development of an economy which will sustain new native people's communities north of the 50th parallel. And let the commissioner outline clearly and unequivocally, with complete precision, the whole range of corporate interests that have designs on this vast area, to delineate what their current activities are, what their corporate profiles are, what their future intentions are. Let him delineate clearly and precisely how existing and future projects would impact on indigenous native development projects. It is important for us to know this so that we can understand how real and how immediate and how imminent is the threat to the potentiality of viable alternative forms of development for the native people of Treaty No. 9.

There is a real sense in which Treaty No. 9 represents one last chance to redeem the trust placed in this Crown, in our government and in our society by the Indian people. We have taken that trust as embodied in the treaty, a trust bestowed on us as recently as the early years of this century in the case of Treaty No. 9—in the case of

the treaty which Ontario signed—and we have taken that trust and we have trampled it in the dust.

I believe it is not too late, north of the 50th parallel, to repudiate the rapacity of the past and to say, "Halt; enough," to the kind of greedy resource exploitation which has consumed whole societies and whole cultures as mindlessly and cruelly and greedily as it has despoiled the environment. It's not too late, Mr. Speaker, to extend the hand of friendship and brotherhood to these Indian communities north of the 50th parallel and to support them in their struggle toward autonomous self-sufficiency and independence and dignity, and it's my deepest hope that the Hartt inquiry may serve as the first step in this path. Thank you.

Mr. Speaker: Do any other hon. members wish to speak to this bill before the minister replies? The hon. member for Kenora.

Hon. Mr. Bernier: Mr. Speaker, before—

Mr. Speaker: One minute left.

Hon. Mr. Bernier: One minute? Very difficult. I had about a 20-minute response, Mr. Speaker, but I do want—

Mr. Lewis: Can't you do that tomorrow?

Mr. Conway: Is it true Merle Dickerson is your executive assistant?

Mr. Speaker: Order, order; the time is just about finished.

Hon. Mr. Bernier: —to make sure that it clearly shows that this member, this member for Kenora, in which riding the Reed Paper proposal is planned, is fully in support of the amendments in this particular bill.

I think many of the members here are not fully informed of all the facts. It is clear, as I sat here all evening and listened to the various presentations, that they don't have a total grasp of the situation.

There will be two public hearings, one dealing with the overall resource development area north of the 50th parallel, which comes—to some surprise, I am sure, of some members—as low as the Sioux Lookout area, the main line of the CNR, which takes in a large number of white people as well as native peoples. The hearings will look at resource development in that massive area, be it Reed Paper, the Polar Gas line, the Onakawanna development, the nuclear plants or even dams that may be developed; as well as mining and other forest extraction industries that may be developed north of the 50th parallel.

The inquiry will look at how that will be developed in the best interest of that massive area, taking into full consideration the effect on our native peoples of course. I think if I can just put on the record the comments that were made at the Red Lake meeting, a public meeting, when Chief Tom Fiddler stood up in that hall that was jampacked to hear the discussions on the Reed Paper issue, when he said to me, "Leo, all we want are the facts. Put all the cards on the table and get us involved."

Mr. McClellan: You don't understand what a devastating indictment that was.

Mr. Warner: You'd never done that before.

Mr. Speaker: Order, please.

Hon. Mr. Bernier: This particular hearing will do more than that. It will get them involved to a depth that they've never known before. In addition to this, there will be, as the—

Mr. Lewis: That is not how you started. That is not how you began.

Hon. Mr. Bernier: —memorandum of understanding clearly states, the approval of the Ministry of the Environment has to be obtained; The Environmental Assessment Act would have to be complied with before that proposal, so there's a double protection in this particular case.

I just certainly want to add my compliments and my complete support to the selection of Chief Justice Patrick Hartt for this massive job. As one member said it will be a mammoth undertaking, there's no question about it. It will take time, because it will have to be done in many parts of the province and in many languages—in many parts of northern Ontario and northwestern Ontario particularly. So it's going to take time. I estimate two years to two and a half years for Patrick Hartt. After that will be the forest resources inventory that will be taken by the Ministry of Natural Resources with regard to the Reed Paper proposal. Se we're looking to at least four to five years before even a recommendation can be made with regard to the Reed Paper proposal.

Let's remember as we move ahead with The Environmental Assessment Act just what this means to northwestern Ontario.

Mr. Speaker: Does the hon. member have further remarks to make?

Hon. Mr. Bernier: There will be 1,200 new jobs—

Mr. Lewis: Can't you speak tomorrow?

Hon. Mr. Bernier: No, I can't.

There will be 3,000 to 4,000 spinoff jobs, there will be a massive economic benefit to that area which they're looking for—and it can be developed with proper guidelines and proper planning. I'm sure Chief Justice Patrick Hartt will come forward with the type of planning we need to develop northwestern Ontario and provide those jobs that we need, and protect those resources.

On motion by Mr. Lewis, the debate was adjourned.

On motion by Hon. Mr. McKeough, the House adjourned at 10:30 p.m.

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No. 3

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Official Report (Hansard) Daily Edition

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First Session, 31st Parliament
Tuesday, June 28, 1977
Afternoon Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

PLANNING ACT REVIEW

Hon. Mr. Rhodes: Mr. Speaker, at this time I wish to present to the House the report of The Planning Act Review Committee. When this committee was established by my predecessor, he stated that a major objective was to not only review planning procedures in Ontario, but to ascertain the nature of problems that exist in the planning field, so that we at the provincial level and our counterparts at the municipal level would be better able to respond to the changing needs of the residents of Ontario.

The Planning Act Review Committee, consisting of Professor Eli Comay, Eric Hardy and Earl Berger, has been studying the matter for the greater part of the last two years. During that time it met with elected and municipal officials, with professional groups, and with all segments of the building and development industry to gather together as much information as possible about the strengths and the weaknesses of the planning process in Ontario.

Based on these discussions and on its own investigations, the committee has prepared its report and its recommendations for what the members suggest we should be doing in the future.

I want to point out to all hon. members that this report is the product of an independent committee appointed by the province and is being put forward for their consideration.

There are a number of recommendations that I would classify as being of a housekeeping nature which can bring immediate improvements. It is the intention of the government to introduce legislation with regard to these items as soon as possible.

Others are of a more substantive nature, and I am therefore asking municipalities, planning boards, in fact all those who are interested in the planning process to forward their comments on the recommendations to me by October 15, 1977. The comments I receive, together with a review that will be undertaken by government agencies, will form the basis of a white paper which I would hope to present to the House as soon as possible.

Copies of this report, together with a summary that has been printed as a special edition of the ministry magazine, Housing Ontario, are now being forwarded to all municipalities, planning boards, school boards, committees of adjustment and all others who have participated in or are likely to be affected by this review. Copies are also being forwarded to all members of this House. It is my hope that all those with an interest in the planning process and who have comments on the recommendations of The Planning Act Review Committee will forward them to me.

Finally, I would like to give my personal thanks to Mr. Eli Comay and to his associates. I am sure that when they first undertook this task they little realized how extensive and demanding it would be. It was a massive review, and, from the reading of the report, many of the recommendations will have far-reaching effects on the future of planning, development and building in this province.

I would also like to offer an apology to the hon. members. In an effort to have a wide distribution of at least the summary of this report, a substantial number of copies of the magazine of the ministry, Housing Ontario, were forwarded to Government Services for mailing on Friday of last week.

They were mailed as fourth-class mail, and experience with the mail in Canada has indicated that if you're mailing it fourth class you can certainly not expect it to be delivered with any great haste—even first class.

Mr. Peterson: From you it should be no class, John.

Mr. Roy: Did it have your picture on it?

Hon. Mr. Rhodes: However, as the result of some unforeseen capability, many of these reports were actually in the hands of the recipients by Monday of this week. So I do apologize to hon. members. I had the full intention of presenting this report in its entirety to the hon. members first. But I offer

a tip of my hat to the Hon. Jean-Jacques Blais. He's made some improvement.

Mr. Deans: You just can't trust the mails, can you?

RONTO DEVELOPMENT COMPANY

Mr. Sargent: Mr. Speaker, on a point of privilege, on June 14, page 4 of the Globe and Mail, the Treasurer (Mr. McKeough) is quoted as saying, regarding the $2-million tax exemption for Ronto, "I think I told them"—Mrs. Todgham and the son—"that so far as I could see there was no problem with an exemption, that I would be glad to speak to their lawyer who was going to pursue this and I'd be glad to speak to Mr. Meen."

Two paragraphs later it states: "Mr. McKeough said he subsequently talked to Mr. Goodman and was advised by the lawyer that it was unnecessary for Mr. Meen to go on, that Mr. Goodman had written to the staff. He was dealing with the staff level and not to do anything in that regard."

Mr. Speaker, I'd like to ask the minister why he was not in a position to—

Mr. Speaker: No, no. Order, please.

Mr. Sargent: Mr. Speaker, you can sharpen your sword if you want to, I am going to get this point across.

Mr. Speaker: Order, please. Might I just explain? Would the hon. member take his seat for a moment please? If the hon. member was rising to correct a statement or a report in the paper, that's a matter of privilege, yes. But to debate a point is not a matter of privilege. Up to now he's been in order if he has been misquoted. That's the only point of privilege which this sort of report would lead to. Has the hon. member been misquoted?

Mr. Sargent: Mr. Speaker, I want to assess from the minister the position of the members of this House insofar as him jockeying with—

Mr. Speaker: Order, please. Will the hon. member please take his seat until I explain something else?

Mr. Sargent: I want to ask three questions.

Mr. Speaker: Order, please.

Hon. B. Stephenson: Wait until the question period.

Mr. Speaker: May I just suggest that it seems to be more proper, since he's not correcting a misquote, that this should be taken up in the question period. He'll have ample opportunity at that time. So he does not have a point of privilege at this time.

Mr. Sargent: I will be first up then, don't forget that.

Mr. Speaker: Order, please. The matter is closed.

WELCOME TO MEMBERS

Hon. Mr. Davis: Mr. Speaker, I just wanted to make a brief statement this afternoon to express my best wishes and congratulations to all members of the House on their election, or re-election, as the case may be.

Mr. Peterson: Do you mean that?

Hon. Mr. Davis: Yes, I do. And to the new members of the House may I offer a particular word of welcome. I expect that, as I can recall my own experience, they will go through at least three stages as new members in their perception of what goes on in this Legislature—three stages which most of us went through during our first year. During the first stage, as they see the strange goings on, and wonder about the peaceful and tranquil life that they left behind in their ridings, they may indeed wonder what in fact they are doing here. But I discovered after about three or four months, after you sense that your expertise has grown totally in all areas of policy and procedure, you begin to wonder what the others are doing here.

Mr. Peterson: Other people are wondering what you are doing here.

Hon. Mr. Davis: Then as you move into your second year you ask yourself whether you can ever bring yourself to leave this very delightful place. Thankfully, the decision to come here, or more appropriately the decision on who should come here to serve the people is made by the people and they also decide who shall return and who shall not.

Mr. Samis: Are you referring to Timiskaming?

Mr. Laughren: Even the member for Timiskaming (Mr. Havrot).

Hon. Mr. Davis: There can be little doubt that aside from the stronger mandate which my government received to continue its programs with a stronger and enlarged caucus—

Interjections

Mr. Speaker: Order, please.

Hon. Mr. Davis: —this Legislature and everyone in it has also been given a mandate and direction to facilitate the responsible and constructive operation of minority government.

Mr. Nixon: Some mandate. There is a phrase.

Hon. Mr. Davis: In this respect, I think all three parties are particularly fortunate in the calibre of our respective House leaders.

Speaking for the member for Brock (Mr. Welch), I want to make it clear that he will seek the broadest possible consultation on legislative scheduling and co-ordination, and this is a co-operation which I am confident the other two House leaders seek equally with me.

I must admit that I did wonder a little bit yesterday at the intensity of the desire to make things work when on first reading —on a tax bill at that—the House was divided without any prior advice to the government House leader, or for that matter to the Leader of the Opposition (Mr. S. Smith). We were surprised, I say that honestly.

Mr. Nixon: That was Renwick's opening shot.

Mr. Deans: Life is full of a lot of surprises, isn't it?

Hon. Mr. Rhodes: And you got three of them in northern Ontario, didn't you?

Hon. Mr. Davis: Not that notice wasn't given, because the parties in this House are all free to do that which they see fit to do and the House rules don't preclude that happening. But I did observe that the leader of the third party indicated previously his disposition of important or controversial bills to emerge from debate here in this House, and of course we cannot decide what we do with these bills without that debate. So I would suggest we have all made a note of that manoeuvre yesterday of really, I think, what should not happen in the context of a minority government.

Mr. Reid: Irresponsible.

Mr. Nixon: A little hint of desperation.

Hon. Mr. Davis: We are grateful to the Leader of the Opposition for allowing the matter—

Mr. Makarchuk: That is an expression of naivete if I ever heard one.

Mr. Deans: I thought this discussion was done privately before?

Hon. Mr. Davis: —to proceed to first reading without, of course, any prejudice to the rights of the official opposition to deal with that bill on second reading as it sees fit. Obviously, after persuasive argument they will see fit to support it on second reading as well.

Mr. Nixon: Don't bet money.

Hon. Mr. Davis: However, I do make this point, and I make it very clearly. A difficulty with first reading on a tax measure very early in this session or in this Parliament I think would have put the government in a very limited circumstance, and one that all of us in this Legislature would have shared.

Mr. Germa: You are on thin ice.

Hon. Mr. Davis: No, we are not on thin ice.

Hon. Mr. Rhodes: You should talk.

Mr. Germa: He is on thin ice.

Hon. B. Stephenson: You are swimming now.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I also want to express to the Leader of the Opposition my sincere congratulations on his elevation to that position of responsibility.

I would ask that the House leader would convey to the former Leader of the Opposition that I want to extend in a personal way my own hand of friendship and my own belief that his interventions in this House will broaden and continue to uplift the proceedings in this chamber.

Mr. Foulds: You better believe it.

[2:15]

Hon. Mr. Davis: I am sorry that he has decided to step down as leader of his party; and I say this most sincerely, he really is one of the finest Leaders of the Opposition that I have known.

Mr. Makarchuk: How about repeating some of those ads on TV? Tell us about the ads.

Hon. Mr. Davis: I think some day I may write a book about Leaders of the Opposition that I have known. I'm not sure whether I will do that or not.

Mr. Roy: Just write us a biography.

Interjections.

Mr. Speaker: Order, please.

An hon. member: How hypocritical.

Mr. Makarchuk: Tell us about the ads.

Mr. Speaker: Order.

Hon. Mr. Davis: I didn't want to be provocative on this first normal day, Mr. Speaker. There will be moments when the tensions in this House are significant and emotions are high—

Mr. Nixon: Not very significant.

Hon. Mr. Davis: —and that is what I think is important in any open and free government

in the British parliamentary system. I believe we can resolve many of the differences within the context of a government that is allowed to govern in the traditional British parliamentary sense of that word and an opposition that asserts and discharges its responsibilities in a similar fashion.

I think our three House leaders are men of infinite skill and ability.

Mr. Roy: That is what we said before the election.

Hon. Mr. Davis: They tolerate their leaders, which is no easy task; they tolerate their respective caucuses, which may be the toughest of tasks; and they tolerate each other, which is probably the easiest of their responsibilities. In offering them our support in allowing them the time and opportunity to negotiate the schedule and direction of this House, we can provide for the people of Ontario the stable and reliable legislative process which they have every right to expect; from all three parties in this House.

I feel confident, Mr. Speaker, that we shall not, any one of us, shrink from that particular challenge.

Mr. Foulds: It started out with the three stages of the Legislature.

Mr. Speaker: Order.

SPECIAL WARRANTS

Hon. Mr. Auld: In accordance with the House rules, I am today tabling the special warrants approved while the Legislature was not in session. Copies of these special warrants have been placed in the postal boxes of each member.

A special warrant is an order under section 4 of The Management Board of Cabinet Act, signed by the Lieutenant Governor, authorizing expenditures of an urgent nature for which no appropriation exists, and is permissible only when the Legislature is not in session. It differs from a Management Board order primarily in that an MBO may only increase the spending levels of an appropriation that already exists, whereas the special warrant has the effect of creating a new appropriation.

The three special warrants that were approved were all of an urgent nature which could not be delayed until the current session of the Legislature.

For particulars concerning these special warrants, I would suggest questions be directed to the minister concerned.

ORAL QUESTIONS

JOB CREATION

Mr. S. Smith: Just before launching into questions, Mr. Speaker, I would like to take a moment first of all to thank the Premier for his very gracious comments, which are gratefully received. I would also like, if I just might beg the indulgence of the House and yourself, Mr. Speaker, not only to congratulate you on your appointment but also to congratulate the Premier on the fact that despite the rather limited nature of his mandate it is nonetheless a mandate and somewhat larger than he had previously, and he has my earnest congratulations for that. I look forward to working together with both of the other leaders.

Having said something nice, perhaps I might launch into a question more in keeping with the spirit of question period. Can the Premier explain how it is that already—it's only one day into the session—he has reneged on his charter, particularly to provide 100,000 jobs, when yesterday the Treasurer (Mr. McKeough) reaffirmed his estimate that only 89,000 new jobs will be created this year? Surely this is rather soon to renege on the charter.

Hon. Mr. Davis: I am delighted the Leader of the Opposition paid such careful attention to that very significant document, which has become part of the policy of this government.

Interjections.

Hon. Mr. Davis: It's a charter to which we are committed; whether it be for 100,000 jobs a year or two trees for every one, they are all significant parts of that charter.

Mr. Sargent: Who wrote the charter?

Hon. Mr. Davis: As I listened carefully to the Treasurer yesterday—perhaps in the excitement of the occasion the Leader of the Opposition wasn't listening as carefully as I. My recollection was, and is, that the Treasurer said that in the first five months of this year — five months representing five twelfths of the total—that 88,000 or 89,000 jobs had, in fact, been created in that period of time. While I don't purport to be that great at mathematics, if one takes five twelfths of 89,000 or whatever—if one looks at the next seven months, one can anticipate the possibility of achieving 100,000 jobs.

Mr. Reid: That sounds like the way the Treasurer makes up the budget.

Interjections.

Hon. Mr. Davis: I should also point out to the Leader of the Opposition—

Mr. Nixon: Give or take a bit.

Mr. Conway: Give or take a bit.

Mr. Speaker: Order.

Hon. Mr. Davis: —because I'm sure he didn't read some of my observations — that I made it very clear that we had this year projected something less than the 100,000. But I also went on to point out that it was running ahead of the rate we had predicted and if the Treasurer's figures, as I understand them, are right — some 89,000 jobs in five months—then I think we can be optimistic about the 100,000 in 12 months.

Mr. S. Smith: By way of supplementary, may I ask the Premier if he would be kind enough, or if he has taken the trouble, to examine page 6 of the table in the Treasurer's update in which the number of jobs budgeted and in the revised budget is shown to be absolutely no different—namely 89,000, the difference between this year and last year. Would he kindly correct the Treasurer? But, in addition, may I ask the Premier whether he would be willing to take up the suggestion I have made: that a select committee of this Legislature take a tri-partisan approach over the summer, towards job creation, including the best ideas of all three parties. That way, we would have something to work with in the fall. We could be doing something useful over the summer months.

Hon. Mr. Davis: I'm prepared to entertain any suggestion from members opposite. This has always been my approach. And some are better than others. I confess that. Some are not as good as others — I should perhaps phrase it that way.

I think the possibility of establishing a further select committee — knowing the traditional thought of the opposition party with respect to select committees, if memory serves me correctly — might not be the most useful way of dealing with this matter. Certainly, during the course of this period of time, I'm sure the Leader of the Opposition will once again this afternoon suggest to the government one or two ideas that he may have, and I'm sure that other members will do so. Certainly, any worthwhile or constructive ideas that can be accommodated within the general framework and policy in respect to the fiscal responsibilities of this government, we'll take a look at. But I think to say to the Leader of the Opposition, "Yes, we will establish a select committee," — this would be leading him astray.

Mr. Deans: A supplementary question, for clarification if nothing else: Is the Premier saying that because he understood the Treasurer to say that there had been 89,000 jobs created in the first five months, that the annualized figure of 88,000 — which also appears in the report and which is a figure comparing this year with last year — is wrong?

Hon. Mr. Davis: I'm not saying it is wrong. What I am saying is that being a bit of an optimist, which I am and I confess that without any doubt — with the measure of success we've had in the first five months in reply to the suggestion of 100,000, I think the possibility exists.

Mr. Deans: Final supplementary: Is it not true that the Treasurer would have taken into account the Premier's feelings that maybe we should be more optimistic? Why, then, given the same figures that the Premier must have at his disposal, would the Treasurer arrive at a figure of 88,000 in a budget statement presented to us yesterday—based on the first five months' experience in the year 1977? The Premier seems to feel that somewhere along the way we're magically going to find an additional 20,000 jobs or more?

Hon. Mr. Davis: No. I think the Treasurer of this province in his usual responsible and conservative way, has on this occasion been more conservative in his estimates than a person like myself who is more optimistic.

Mr. Deans: The Premier wouldn't be trying to pull the wool over our eyes would he? It doesn't sound real.

Hon. Mr. Davis: I am suggesting that the potential exists for the 100,000. I pointed out to the Leader of the Opposition and made it very clear during that short period of, as the House leader says, consultation with the people—that in this year our expectations were less than the 100,000.

Mr. Nixon: Maybe you won't make it after all.

Mr. Roy: What you're saying is somebody else is bailing you out.

Mr. Speaker: Order, please.

BUDGET FORECASTS

Mr. S. Smith: I have a question for the Treasurer regarding basically the accuracy of his document reaffirming Ontario's budget strategy. First of all, dealing with page 6, could the Treasurer affirm or not that his revised estimate is no different from his original budgeted estimate for 89,000 jobs and, furthermore for only 80,000 housing starts, in sharp contrast with the 90,000 predicted in the charter?

Hon. Mr. McKeough: No, we have not revised our estimates of employment. If the member will look in the next column, he will

find we estimated at the time of the budget that employment would grow by 2.4 per cent and we have not changed that number. It remains at 2.4 per cent, therefore the figure is about—whatever it is?—89,000 jobs.

Mr. S. Smith: Right, not 100,000.

Hon. Mr. McKeough: I would share the Premier's optimism on the basis of what's happened for the first five months of the year. There was some feeling that some of the May figures that have been coming out have not been quite as strong as the first four months of the year. Forecasting, obviously, is not the most precise or scientific of documents.

Mr. S. Smith: Neither is charter writing.

Mr. Speaker: Order.

Hon. Mr. McKeough: The real point is that in terms of the charter we have made a commitment to produce that number of jobs. I think we'll come very close to that.

The member also asked about the housing figure. If the member would refer to last year's budget, he would find that our forecast—

Mr. Deans: It is as worthless as the paper it's written on.

Mr. Foulds: Give or take a million.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: —for housing starts in 1976 was 80,000 starts—

Mr. Conway: Give or take a million. I told you, you have a C. D. Howe over there.

Hon. Mr. McKeough: —and they ultimately came in at nearly 85,000 starts. That's been discussed in the House.

Interjections.

Hon. Mr. McKeough: We have not found reasons to date—at least my people have not found reasons to date—to revise our housing forecast up from the 80,000 we forecast.

Mr. S. Smith: They didn't write the charter obviously.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: Let me say this: If the hon. member wants more—

Mr. Nixon: You haven't read the charter either.

Mr. Eakins: It's too long to read.

Mr. S. Smith: The NDP are over there now.

Hon. Mr. McKeough: Well, you're over here.

Mr. S. Smith: Still on the accuracy of this document, I have just one final question of a supplementary nature. Given the fact that on page 13 it's indicated that the government seems to have been able to deal with a loss of revenue of $133 million merely by "having Management Board identify expenditure savings and constraining the 1977 estimates," if it's that easy to save $133 million, can the Treasurer explain to us please exactly where that money is being saved, who is going to suffer as a result and how much more fat there might be in that budget?

Hon. Mr. McKeough: The words used on page 13, I would draw to the Leader of the Opposition's attention, is Management Board "will be." They have not yet done so.

Mr. Speaker: Final supplementary.

Mr. S. Smith: Could the Treasurer please explain how he can be that confident that the Management Board will be identifying the $133 million in the budget that doesn't have to be there?

Hon. Mr. McKeough: If the member would read the statement, he would find that the Management Board last year constrained something like $400 million in expenditures out of a total of $12.5 billion—

Mr. Nixon: Why don't they then?

Mr. Speaker: Order, order.

Hon. Mr. McKeough: —to allow for overspending and revenue reduction. It also occurs to me that I read in the paper the other day words by the Leader of the Opposition—I think the term he used was $185 million. He said no doubt government can find that wherever they want it.

[2:30]

Mr. S. Smith: Yes, and the Premier said people would suffer.

Hon. Mr. McKeough: That's exactly what we're doing. Don't talk out of both sides of your mouth.

Interjections.

Mr. Speaker: Order, please. We've now spent 11 minutes.

An hon. member: And he wasted 25 minutes.

Mr. Speaker: Order, please. We're wasting time here this afternoon.

Mrs. Campbell: We're wasting time? He wasted time.

Mr. Speaker: Did the hon. Leader of the Opposition announce that as a final supplementary?

Mr. S. Smith: He wasted 20 minutes.

Mr. Speaker: No, I said "we are." On the accuracy of the document, all right, we'll allow one supplementary from the member for London Centre.

Mr. Peterson: I have a supplementary of the Treasurer. Is he telling the House that it's the budgetary policy of his government to build in extra fat in every budget so that it can be taken out at a later time in order to revise downward for shortfalls in revenue? Is that what he's telling us?

Hon. Mr. McKeough: Mr. Speaker, that is not what I am saying at all. It seems reasonable to me that if we are to finance in-year changes and expenditures of various kinds, then during the course of the year we have to reassess our priorities and that's exactly what we do.

Mr. Speaker: The hon. member for Wentworth.

Mr. Peterson: Mr. Speaker, may I?

Mr. Speaker: No. Order, please. That was the final one. The hon. member for Wentworth, thank you. We can come back to it later if it's important.

OIL AND GAS PRICES

Mr. Deans: I have a question of the Premier. What representation does he plan to make to the federal government and, through them, to the province of Alberta that we can't afford the announced increase in oil prices that was announced by the minister just last week? What does he propose to do to make sure that the predicament that faces the province of Ontario and the people of the province of Ontario is corrected by either negotiation or action of this government with regard to the increases and the impact of them both on jobs and on the economy?

Mr. Warner: He's prone to inaction.

Hon. Mr. Davis: Mr. Speaker, I communicated with the first minister of Canada in the latter part of May, I think I'm right in this, when I asked him to convene a meeting of first ministers to discuss the question of the pricing of oil and natural gas. I received a reply from the Prime Minister suggesting that at the conferences or meetings—I think there were two—of the ministers of energy there was some degree of consensus as it related to the proposed increase.

Mr. Martel: You are not nearly as tough as before the election.

Hon. Mr. Davis: I replied further to the Prime Minister of Canada suggesting that my understanding was that there were at least three provinces—Ontario, Nova Scotia and, I believe, Manitoba; I think I'm right in those three—representing, as they do, fairly close to 50 per cent of the total population of this country, who were not part of any decision to increase the price of crude or natural gas on July 1. I pointed out to the Prime Minister the potential adverse effects on the economy of this province. I have asked him to reconsider this position and to consider further the desirability of convening a meeting of first ministers to discuss this subject.

I have made no bones about it. I've said it in this House, I've said it elsewhere, that this government is opposed to this price increase. We're opposed to it on the basis of the inflationary aspects. We're opposed to it on the grounds of the adverse effect it could have on certain businesses and industries, let alone the consumer, whether it be for the use of the automobile or for home heating. That still remains our position.

I can give the House no further information. My Telex was as of June 20, I think; I can't read it here. I guess it was on Monday. I have not as yet had a reply to that Telex. When I do, I shall inform the members of the House. But that's where the situation stands at this moment.

Mr. Martel: Yes, before the election you were really tough, gung ho.

Mr. Speaker: The hon. member for Wentworth only, please.

Mr. Deans: A supplementary question: Is the Premier prepared, first of all, to make known to the federal government that we simply can't afford it. Secondly, is he prepared to take some action to freeze the prices in the province of Ontario until such time as he is able to renegotiate an agreement that we in the province can afford to undertake and maintain?

Hon. Mr. Davis: Mr. Speaker, I wish it were a question of negotiation. I'm sure the hon. member is well aware of the fact that this isn't a matter of negotiation. It was a decision made by the government of Canada. It's as simple as that.

Mr. Deans: Then you'll have to unmake it.

Hon. Mr. Davis: The ministers of energy and our Minister of Energy (Mr. J. A. Taylor) would be delighted to share their own views.

Mr. Deans: You got us into this.

Hon. B. Stephenson: How?

Hon. Mr. Davis: It is not a negotiation.

Mr. Grande: What are you going to do?

Hon. Mr. Davis: It is a price set unilaterally by the government of Canada. There are at least three provinces, I believe—certainly one that I can speak for that has not agreed to this price and this has been made

abundantly clear to the government of Canada.

Mr. Peterson: How long a price freeze does the government plan on the inventories of the oil companies in this province?

Hon. Mr. Davis: Mr. Speaker, in that the member for London Centre is one of those in that party who believes, as does his party leader, in moving to the world price level—

Mr. Peterson: Just answer the question.

Hon. Mr. Davis: Well they do, and this I could never understand.

Mr. Speaker: Order.

Hon. Mr. Davis: I gather they probably gave Mr. Gillespie some advice.

Interjections.

Mr. Speaker: The hon. Leader of the Opposition will come to order. The hon. Premier will continue with his answer.

Mr. Nixon: Tell us about the costs of Hydro.

Hon. Mr. Davis: I would be delighted to tell the member. The costs of Hydro are related to your energy policy, which says we should go to the world price.

Mr. Roy: Well tell that to Joe Clark and Peter Lougheed, your friends.

Hon. Mr. Davis: As far as the freeze is concerned—

Interjection.

Mr. Speaker: Order.

Hon. Mr. Davis: There is not a freeze. The understanding as between the various governments—and the Minister of Energy should really answer this—I think it's either a 45- or 60-day period for the inventory price change. I can't tell the member whether it's 45 days or 60 days, but the Minister of Energy can.

Mr. Peterson: How can the Premier reconcile this freeze with his freeze for 137 days just before the election in 1975?

Mr. Speaker: Order, please.

Hon. Mr. Davis: I don't think it's a question of reconciling it, it's something—

Mr. Peterson: Sure it is.

Mr. Speaker: The hon. member wasn't recognized for a supplementary question. The hon. member for Wentworth.

Hon. Mr. Davis: This is your policy.

Mr. Peterson: You buy me lunch and I will explain my policy.

Hon. B. Stephenson: You couldn't.

Mr. Speaker: Order, please. The hon. member for Wentworth has the floor.

Mr. Deans: If the government could ignore the problem of a price freeze for the purposes of using up the excess, is it prepared to make known to the federal government that this province simply doesn't go along with it and we will, if necessary, pass legislation to impose a freeze at the current price until such time as some meaningful negotiation is undertaken? Is the Premier prepared to stand up for Ontario, as Lougheed has done for Alberta, and try to protect the people in this province?

Mr. Warner: That's called leadership.

Hon. Mr. Davis: Mr. Speaker, I am quite prepared to make the views of this government known to the government of Canada. We have done so, and I think the Premier of Alberta also knows our point of view; I would say with respect, so does the Premier of Saskatchewan who is sharing in this proposed price increase.

Mr. MacDonald: Where is your proof? Words are not enough.

Hon. Mr. Davis: Mr. Speaker, I cannot give the hon. member any assurance that we propose any legislation that will in fact freeze the price of gas or oil.

Interjections.

Mr. Speaker: Order, please. The hon. member for Wentworth has the floor.

Mr. Deans: It is hard to be away down here.

Mr. Speaker: Order, please. We are wasting valuable time of the question period. The hon. member for Wentworth.

Mr. Deans: Thank you. It is really hard to be away down here you know, it really is; I didn't realize how difficult it was.

AUTO TRADE PACT

Mr. Deans: I have a question for the Treasurer on the matter of employment in the province of Ontario. Is the government of Ontario prepared to sit down with the federal government and make some effort to renegotiate the auto trade pact in order to ensure there will in fact be a growth in the employment and a growth in investment in this province, and across the Dominion of Canada; in order that we will in fact have employment in this province as a result of the auto trade pact, rather than the deficit position which we are getting ourselves more deeply into every day?

Mr. Nixon: Sort of a Washington pact.

Hon. Mr. McKeough: Mr. Speaker, I welcome what the member has said, since it was this province which, one year ago in the budget, first drew attention in a governmental way to the problems we were head-

ing into. At that point in time—I think it is fair to say that, a year and a half ago — there was a complete denial by the government of Canada, by the automobile companies, and I might say by the UAW, that there was a problem. The fact that there was a problem was first recognized by this government. Now it is a problem.

Interjections.

Hon. Mr. Davis: Ask the member for Oshawa (Mr. Breaugh).

Hon. Mr. McKeough: We documented that fully in the budget of a year ago, and I think it is fair to say —

Mr. Bounsall: You are four years late.

Hon. Mr. McKeough: — that the continuing representations of myself and the Minister of Industry and Tourism (Mr. Bennett) and others led to the Arthurs report, tabled in the House of Commons yesterday, which report has been available on some sort of a private basis for something like three months, and it was the urging of this government on a number of occasions that that report be made public.

Mr. Laughren: Four years late.

Hon. Mr. McKeough: We think the people of Canada, and the people of this province in particular, have a right and a responsibility to know what was in that report and we take some credit for seeing not only that it was authored, but that it was published.

Mr. Laughren: What are you going to do?

Hon. Mr. McKeough: Now in terms of what we can do, I say to my friend over there that if he continues to support, as he should, the tax policies of this government, to create a climate in this province for growth and investment, that is the best thing we can do.

Hon. Mr. Davis: And the UAW knows that.

Mr. Roy: Darcy, you didn't comment on the $4 minimum wage.

Mr. Deans: I can understand why the Treasurer laughed at the end of that.

A supplementary: Does the Treasurer have any statement to make to the House with regard to what representations he intends to make to the federal government in terms of renegotiating the auto trade pact as it affects the auto parts industry, as it affects the investment in Canada and in Ontario in particular, and as it affects the employment picture for the next five years?

Hon. Mr. McKeough: Mr. Speaker, the concern of this government has been on the record for over a year, and it's nice that the member is finally waking up to the fact that we do have a problem. Join the club. We've known it, we've been talking about it. He's been so busy with his narrow little point of view that he won't look at these problems.

Interjections.

Mr. Martel: Don't be such a popinjay; and who do you think you are yelling at, the Chamber of Commerce?

Mr. Speaker: Order. Order, please. You're wasting your time.

Mr. Roy: I think he is another potential leader.

Mr. Speaker: Order, please. We have a final supplementary from the member for Wentworth, because we've gone over the normally accepted time for the leaders.

Mr. Deans: It's not my fault. Thank you, Mr. Speaker. Now that the Treasurer has got over all his screaming and shouting, can he tell us what his policy is? He's told us what he thinks we should be doing; what has he done, what is his policy, or does he know? Does he have a policy?

Hon. Mr. McKeough: Mr. Speaker, there is no way the government of Ontario, within our federal system and under our constitution as I understand it, can negotiate an automobile pact with the United States.

An hon. member: Sit down.

Mr. Deans: It's a lot of bluster.

Hon. Mr. McKeough: I would ask the member what position is his federal party taking in Ottawa? That's the forum where this is going to be debated. But the NDP in Ottawa haven't been on this issue.

Mr. Deans: Typical Darcy McKeough.

Hon. Mr. McKeough: The members opposite are just waking up to an issue now, and they're too late.

Mr. Martel: Darcy hasn't said a word all day.

Hon. Mr. McKeough: It isn't fair.

Interjections.

Mr. Speaker: Order, please. That's final. The hon. member for Grey-Bruce has the next question.

Mr. Sargent: Thank you, Mr. Speaker.

Mr. di Santo: I have a point of privilege, Mr. Speaker.

Mr. Sargent: Russ. Russ.

Mr. Speaker: I think the hon. member for Grey-Bruce knows what he should be saying. Is this a point of privilege?

Mr. di Santo: Yes, the Treasurer said the United Auto Workers never asked him to in-

tervene in the auto pact and that's a false statement, because he received—

Mr. Speaker: Order, please. We're debating an issue now which should be the subject of a question. You may ask a question later if you wish. But I think the hon. member is very close to making a charge which is a bit improper, too, so we'll just consider that it wasn't said, if I understand correctly.

Order, please. The hon. member does not have a point of privilege. The hon. member for Grey-Bruce has the floor for a question.

Mr. Sargent: Thank you, Mr. Speaker. You're looking more like a Speaker every day. It's a basic rule here that you shouldn't ask a question unless you know the answer. Well, I think we know the answers here—

Mr. Speaker: Would the hon. member ask his question, then.

Mr. Sargent: In view of the fact a revelation I just read a few moments ago was shocking news to those of us on the public accounts committee, and because this minister did not volunteer his action to the public accounts committee when they were sitting here for two months, I suggest he has been misleading the House.

Mr. Speaker: Order, please.

Some hon. members: Shame, shame.

Interjections.

Mr. Speaker, Order, please. That's clearly out of order.

An hon. member: Kick him out!

Mr. Sargent: That's my first question.

Mr. Speaker: No, the hon. member must withdraw that. He knows he must not accuse another member of misleading the House.

Mr. Roy: He didn't say "deliberately."

Mr. Speaker: Yes, he did. The hon. member will rise and do that first of all, before he asks a question.

Mr. Sargent: I suggest that to you.

An hon. member: Inadvertently.

Mr. Speaker: No.

Mr. Sargent: I ask the minister—

Mr. Speaker: The hon. member will withdraw those words and then he may ask a question, if he does it right away.

[2:45]

Mr. Sargent: In view of the fact that I will qualify later, I will withdraw at this time.

Mr. Speaker: Now your question please.

Mr. Sargent: I ask him if it is not significant, Mr. Speaker, that his appearance before the judicial inquiry three days after the election is not evidence of control or supervision of the courts by either the AG's office or the Treasurer's office or the PM's office, in his appearance before that. Secondly, who arranged that he should appear after the election and not before? Because it would have had a great telling effect on the election to have the public know that he tried to arrange a $2-million deal with one of his constituents.

Hon. Mr. Davis: That's totally wrong.

Mr. Sargent: That's my first question. My second one is, what right does he have to go about this province offering $2-million deals with our money? Who does he think he is?

Mr. Speaker: Order, please. Is there an answer to that question, gentlemen? All right, next question.

Mr. Sargent: I say he has been misleading the House.

Mr. Speaker: Order, please. The hon. member came out with a statement again. He must withdraw that.

Mr. Sargent: Why can't he answer my question?

Hon. Mr. Welch: Withdraw it.

Mr. Speaker: Order, please. Order, please. It's the minister's privilege to answer or not answer as he or she sees fit. The hon. member did deliberately state that he's misleading the House. I asked him to withdraw that statement unequivocably without any—

Mr. Roy: He didn't say "deliberately."

Mr. Speaker: Order, please. It doesn't matter, it's the way it was said.

Mr. Sargent: I say about this —

Mr. Speaker: Order, please. Will the hon. member withdraw his remarks? All right.

Mr. Sargent: I will withdraw and come back in a minute.

Mr. Speaker: Now the next question is over here. Another further question over at this side of the House? Nobody with a question? The member for Downsview then.

Mr. di Santo: Yes. I've got a question for the Treasurer on the same subject as my House leader. In his review last year in the 1976 budget, what he was really proposing was a normal review of the pact. What we think is important is to renegotiate the pact—

Hon. J. A. Taylor: This is not a question, it's a speech.

Hon. B. Stephenson: It's not a question.

Mr. di Santo: This is a preamble to the question. Because the major problem we have—

Mr. Speaker: The member is debating now. Order, please. The hon. member is debating an issue. Ask a question, please.

Mr. di Santo: I am coming to the question.

Mr. Speaker: You should be there before this.

Mr. di Santo: Is he prepared to ask the federal government to renegotiate the auto pact, as opposed to a normal review of the pact?

Mr. Laughren: Stop blustering, say something.

Hon. Mr. McKeough: Mr. Speaker, we will be making in due course—

Mr. Deans: That's the first mistake.

Hon. Mr. McKeough: I think the Minister of Industry in particular may well be making a position known to the federal government. We have offered to meet with them to discuss this problem fully, and to see where we can be—if we can be—part of the solution of the problem.

Mr. Laughren: Why don't you say "no" and sit down?

Hon. Mr. McKeough: The member's party doesn't feel that a competitive tax climate is necessarily part of the solution. We feel very keenly on this side of the House—

Mr. Warner: Why don't you resign?

Hon. Mr. McKeough: —and I noted in the response put forward yesterday by the Automotive Parts Association that it particularly drew attention to the fact that Ontario, in taking off the seven per cent tax on production machinery, was doing its part in making the industry competitive in this country with the industry in the United States. I say in passing, something which has been opposed by the member's party, specifically as to whether I think or we think the pact should be renegotiated. I'm not sure that a renegotiation of the pact is necessarily the most effective way of dealing with the problem.

Mr. Laughren: A new Treasurer would help.

Hon. Mr. McKeough: The key to the situation was to get the respective governments and the automobile vehicle manufacturers to recognize that there was a problem. It is within the power of the "big four," I think, without a renegotiation of the pact, to do something about the problem, to bring the overall terms, to bring the results of the pact, into a greater balance than they are now. That would not, in my view, require renegotiation of the pact.

Mr. di Santo: Supplementary: Since, despite the sales tax exemption, the situation in the auto parts industry has worsened to the point that this year, according to the president of the Automotive Parts Association, we will most likely have a $3-billion deficit, does the Treasurer think his government can do anything in order to offset this situation, in view of the fact we are also losing between 70,000 and 90,000 jobs in this industry?

Hon. Mr. McKeough: Mr. Speaker, I think we should bear in mind, and this is, of course, the position of the auto parts people, that although we are if not losing at least not gaining jobs in the parts industry, it is true we have been gaining jobs in the vehicle manufacturing industry. There are differences between those kinds of jobs. Although the deficit on parts is going to worsen this year—at least those are the forecasts—it is not necessarily correct that the overall deficit under the auto pact, which is in deficit, will worsen this year. I think I gave the House the figures yesterday. In finished vehicles I think our exports are up something like 20 per cent over last year. That doesn't show up in the parts. It does show up in the total figures. So it is a somewhat confused situation, and the point of view of the parts manufacturers—and I say this with respect—will not necessarily be our position or the position of the government of Canada.

Mr. B. Newman: Supplementary: May I ask the minister whether his officials are trying to calculate the labour content, outflow as well as importation, as a result of the manufacture both of parts and the completed vehicle? Are we exporting jobs or are we importing jobs?

Hon. Mr. McKeough: One of my regrets, and the member for Windsor-Walkerville would know this well, is that although the pact in my view, and I have said this before, has been really a great thing for Canada and for this province in particular—there is no question we have gained a great number of jobs which we would not otherwise have had, and I think it is also fair to say that Canadians generally are paying less for vehicles today than they would have been had we not had the pact—having said that, there is no question, and I would refer to Windsor in particular, that we have lost some of the very skilled jobs, the tool and die jobs which used to exist in Windsor, in my home town and other places to a greater extent than they do now. Some of those jobs moved across the border, regretfully. However, I think when one looks at the sum total there is no ques-

tion that the pact has been a good thing for Canada, as I have said, and for this province. What we want to do is to make sure it is better.

Mr. Bounsall: Supplementary: With reference to the Treasurer's first answer to the series of questions asked, when he admitted that he believed the power to make the changes rests with the four auto manufacturing companies, will he sit down if necessary on a continuous basis and see that that equity is returned, something which I mentioned to him in April 1972 as being the easy, quick route to restoring equity in the auto parts and auto manufacturing industry?

Mr. Martel: In 1972, Darcy.

Hon. Mr. McKeough: Mr. Speaker, meetings have been going on with various parts of the industry for some time now.

LICENCE FEES

Mr. Hennessy: Mr. Speaker, I would like to ask a question of the Minister of Transportation and Communications. I would like to bring to his attention that licence fees for half-ton trucks under the new legislation for northwestern Ontario will not be reduced from $50 to $10. I feel that many half-ton trucks are used by the people of the north—

Mr. Speaker: Order, please. We do not make a statement or argument.

Mr. Hennessy: I am sorry.

Mr. Speaker: Sometimes a sentence is necessary to place the area of the question, if I might just mention to the hon. member, to delineate just the area where the question will be asked, then you ask the question please.

Mr. Makarchuk: That is one of the $3-million members.

Mr. Hennessy: I struck out there.

Mr. Speaker: So, is there a question now please?

Mr. Hennessy: I would like to ask the question—perhaps I will get the answer from the other side. I don't know.

Mr. Makarchuk: Next time you will.

Mr. Speaker: Order, please. The hon. member for Fort William with his question.

Mr. Hennessy: I would like to ask why is the government charging $50 for the half-ton truck in the northwest when it should be only $10 for any other car? A lot of people use private trucks.

Mr. Speaker: Order, please.

An hon. member: Don't be so hard on him.

Interjections.

Mr. Speaker: Order, please. Does the hon. minister have a short answer for that?

Mr. Breaugh: He wants to know why you are ripping off the truckers.

Mr. Nixon: He knows what you mean.

An hon. member: It was raised in the last session.

Hon. Mr. Snow: I regret very much that the hon. members on the other side didn't have the courtesy to allow the member to place his question properly.

Interjections.

Mr. Speaker: Order, please.

Mr. S. Smith: It was a proper question. You shouldn't criticize your member.

Hon. Mr. Snow: Mr. Speaker, I always thought it was a tradition in this House that a new member—

Mr. Speaker: Order, please. Will the hon. minister answer the question briefly and then I will have something to say about that.

Interjections.

Hon. Mr. Snow: I am aware of the particular situation that the hon. member brings to my attention.

An hon. member: You should be.

Hon. Mr. Snow: There was no mention in the Treasurer's statement on the budget relating to this particular problem. It is one that I have had brought to my attention. I hope to come up with some recommendations to eliminate, if at all possible, the inequity between the person who drives a half-ton truck for transportation to and from his job as compared to those who drive an automobile.

Mr. MacDonald: You have been conjuring with it for three months.

SHOOTING AT BRACEBRIDGE

Mr. Stong: In the absence of the Solicitor General (Mr. MacBeth), I have a question for the Premier. Does the government intend to review the fatal shooting at Bracebridge yesterday by the OPP officer by way a coroner's inquest? Lest anyone think that summary justice was done in that incident, would the Premier direct the Solicitor General to provide the House with a full and comprehensive report of that incident, including the nature of the chase, the number of police officers involved in the chase, whether in fact there was any strategy for

the live apprehension of the suspect, whether the police officers were in regulation uniform and, finally, what the particular training and experience were of the officer who fired the fatal shot?

Hon. Mr. Davis: Perhaps the hon. member would be kind enough to give me that series of questions. Before the afternoon is over, I will be in touch with either the Solicitor General who, I believe, is in Ottawa, or, if he is not here tomorrow, the Attorney General (Mr. McMurtry). We will have a report for the hon. member.

HOME HEATING AND INSULATION

Mr. Samis: A question of the Minister of Energy: Can the minister clarify for the House if he will be recommending to the cabinet that Ontario comply with the conditions dictated by Mr. Gillespie regarding the federal program for home insulation in order for it to take effect in Ontario this fall? Secondly, can he tell us if the provincial government is planning any additional assistance for home owners in this province?

Mr. Laughren: Are you stock-piling coal?

Hon. J. A. Taylor: As to the first question, there are four basic conditions now, I understand as of yesterday. I may say they have been changing a little bit. Firstly, there is the condition in regard to insulation standards. In our building code we provided for that in 1975. In fact, those conditions are in place now. In terms of the reduced speed limits, we did that in Ontario in 1976.

In regard to the question of sales tax, which is the third one, that is in the Treasurer's budget. So that's three. The fourth one, just to remind the member, is the question of the bulk meters. Bulk metering is in connection with both gas and electricity. We have some problems with gas because gas is used for heating apartments, for example.

Mr. Conway: You are not kidding.

Mr. Peterson: Leave the chamber then.

Hon. J. A. Taylor: Are you interested in the answer?

Interjections.

Hon. J. A. Taylor: I assume members can see where we have already complied with those conditions, with the exception of the bulk metering which is under study. The problem is of course the eligibility of the people of Ontario for that program. That's what concerns me very much because I understand it will only apply initially — at least till 1981 — for houses that were constructed prior to 1921.

Mr. Bounsall: We have a few of them.

Hon. J. A. Taylor: There may be some. The grant programme is up to $350 provided it doesn't exceed two-thirds of the cost of insulation. That doesn't insulate the house. [3:00]

I'm getting now into the second part of the question which deals with the supplementation of that program, which of course pinpoints the problem with the program in the first place: It doesn't provide for the cost saving that Mr. Gillespie indicated that it would. In terms of my recommendation, I think the people of Ontario should participate in any recycling of funds. After all, the moneys are basically coming from the consuming provinces. I think the people of Ontario should be able to participate in any funds that may come back to assist them in home insulation.

Mr. Samis: Supplementary to the lecture provided by the minister, could I ask again in terms of the first—understanding that number four comes after number three— will he recommended to cabinet that we comply with the conditions and, second, will he offer a supplementary program?

Hon. J.A. Taylor: At the present time we cannot comply with the fourth condition that I mentioned unless we are going to put a separate furnace, which may be fired by gas, for every apartment unit, for example. What I'm saying is that it is very difficult for us to do that, and I think maybe the hon. member will appreciate that fact.

As far as supplementation is concerned, which is the other part of the question, we proposed a fuel-saver loan program—and may I take the hon. member back to the last conference of energy ministers—

Mr. Germa: The minister takes us back a long way.

Mr. Samis: Mickey Mouse is still here.

Mr. Laughren: Has the minister ever thought of government services?

Hon. J. A. Taylor: At the last conference of energy ministers, the federal minister asked the provinces of Canada to indicate their initiatives in the area of conservation, and I filed with the federal people all of our initiatives in that regard. That was on the last agenda at the federal provincial ministers' conference--

Mr. Conway: Speech.

Hon. J. A. Taylor: —but it wasn't discussed at that time, nor was the federal program discussed. What I'm saying to the hon. member is that there should be some consultation with the provinces if there is to be a program that meshes in with existing

provincial programs, because some provinces already have programs and some do not; some are completely financed by the federal government. I think there should be consultation.

FIRE SAFETY IN JAILS

Mr. Bolan: This question is directed to the Premier in view of the fact that the Solicitor General (Mr. MacBeth) is not here. In view of the large number of prisoners in Canada who have lost their lives over the past year in prison, what investigations if any are being done with respect to safety features for prisoners in provincial penal institutions in the event of fire, and particularly in the older district jails?

Hon. Mr. Davis: I will be delighted to pass that question on to the Solicitor General for answer either tomorrow or Thursday.

MINIMUM WAGE

Mr. Mackenzie: A question of the Minister of Labour: Would the minister tell the House when workers can expect an increase in the minimum wage in the province of Ontario, which is currently one of the lowest in Canada--

Interjections.

Mr. Mackenzie: --and can the minister assure the House that waitresses will not be discriminated against by way of a lower rate than other workers?

Hon. B. Stephenson: If the hon. member is suggesting that we should move to the level suggested by his leader during the election--

Mr. Mackenzie: Don't play games. We asked you a question.

Hon. B. Stephenson: I can tell him that as soon as the productivity of every single individual in this province improves to an equitable level, we will be pleased to do so--

Mr. Martel: Maybe most of those in cabinet should have theirs cut.

Mr. Speaker: Order, please.

Hon. B. Stephenson: --particularly, perhaps, the productivity of the members of the House.

Mr. Bounsall: Starting with yourself.

Hon. B. Stephenson: In addition, I should like to tell the hon. member that waitresses have not been discriminated against in any of the moves as far as the minimum wage is concerned; indeed, all of those people who work in establishments where they are involved in the direct serving of alcoholic beverages are those who are under the program known as the wage differential at this point in time, and that involves both waiters and waitresses. There is no discrimination on the basis of sex in that area in this province.

Interjections.

Mr. Mackenzie: Mr. Speaker, that wasn't an answer to my question.

Mr. Speaker: I am sorry, I didn't hear that.

Mr. Mackenzie: I simply asked the minister when the House can expect--

Mr. Speaker: Order. It is the answer which the minister gave. Is there any different answer now?

An hon. member: That's the silliest answer.

Mr. Warner: Try answering the question.

Mr. Mackenzie: Stop playing games.

Hon. B. Stephenson: Mr. Speaker--

Mr. Martel: So busy being arrogant.

Mr. Speaker: Order, please.

Mr. Martel: Why don't you answer the question?

Mr. Speaker: Order, please. We can neither hear the question nor the answer because of the interjections, so we're wasting time.

Mr. Mackenzie: Let's talk about games. This House and the members.

An hon. member: Throw him out.

Mr. Lupusella: She should give an answer, Mr. Speaker.

Mr. Speaker: All right. A question over here? No. Order, please.

Interjections.

Mr. Speaker: Order, please. Get to a proper question.

Is there a question over here? The hon. member for St. George.

GROUP HOME PLACEMENTS

Mrs. Campbell: My question is to the Minister of Community and Social Services.

Interjections.

Mrs. Campbell: I'm sure that comes as a surprise to him. Could I have the attention of the minister? He's hidden a bit, behind--

[Laughter]

Interjections.

An hon. member: He's in the shadow.

Mr. Nixon: That is five of the members.

An hon. member: Behind the member for Lambton (Mr. Henderson).

Mr. Sweeney: Let's have some order on the other side.

Mr. Speaker: Order.

Mrs. Campbell: Now that the Court of Appeal has unanimously upheld the Holland decision concerning group home placements by family courts, what action is this ministry prepared to take with regard to at least two family court judges who have circumvented the Holland decision by placing juveniles with employees of group homes, under section 20, subsection 1(d) of The Juvenile Delinquents Act; thereby doing, it would seem, indirectly by court order that which they are prohibited from doing directly?

Hon. Mr. Norton: First of all I must apologize to the hon. member, I do miss her down at this end of the House. I could always anticipate when she was about to direct a question to me before, but now that we're at opposite angles in the House it's a little more difficult.

Mr. Conway: If you are going to shine, Norton, you'd better be seen.

Mr. Roy: You were hidden by Lorne's nose.

Hon. Mr. Norton: Mr. Speaker, with respect to the specific cases to which the hon. member directed the question, I can't give her a very specific response on those. I do understand there are a very small number of cases where that type of placement was made. It's my understanding the decision of the Supreme Court did not deal specifically with that kind of placement.

At the present time, all I can suggest to the hon. member is that we have asked that Children's Aid Societies be prepared, if there is any indication whatsoever that the welfare of the children in such placements is in jeopardy, to move in and take the child into protection and proceed in that manner.

In the meantime, as well, we still have under review with the parties to that particular action the next step they might be following. I won't know myself for some time yet whether the Supreme Court decision will be subject to a further appeal or not; but in the meantime we are continuing our commitment to municipalities with respect to the financing under the present arrangement, as well as the commitment to continue discussions with them with respect to more permanent financing.

We also, as I suggested, have asked and will be urging the judges to consider placement via the Children's Aid Societies, which would still afford the opportunity for the placements to be continued in such group homes through the societies.

Mrs. Campbell: Supplementary, Mr. Speaker: The minister undoubtedly must be aware, is he not, that the commitment which he gave to us at the time the Holland decision first came forward has not really been honoured in the case, for example, of Metro and Youth Sphere? There are other cases. Is the minister not aware of other cases where children are indeed in jeopardy; and isn't it the responsibility of this minister to assure the protection of the children first, and then work his way through arrangements with Metro or anyone else?

Hon. Mr. Norton: I don't disagree at all with the priorities that have been suggested by the hon. member; those are my priorities and the priorities of my ministry and of this government.

I am not aware of the reference she makes to the fact there are children in jeopardy. If she has specific evidence of children who are in jeopardy, I would urge her to bring it to my attention forthwith, because it is my responsibility and I would not want to shirk that responsibility.

I have also asked my staff, and people in the Children's Aid Society across this province, to advise me of any cases that may come to their attention where there appears to be any jeopardy to the welfare of the children of this province, and I will act forthwith.

Mr. McClellan: I have a supplementary, Mr. Speaker. Since I, too, have cases that have recently come to my attention, of children at risk as the result of Judge Holland's decision, would the minister not agree now to adopt a policy of 100 per cent funding to municipalities for the care of kids in this area, so that litigation would not be necessary, litigation would be eliminated?

Hon. Mr. Norton: I would hope we wouldn't have to debate this again at 10:30 this evening, but my answer to that inquiry is the same as it was during the last session of this House—"No".

I am in the process of discussions with municipalities with respect to funding arrangements, and I will continue to follow that course. I will not precipitously jump to any such conclusion or fall into the trap of agreeing with the member in a suggestion that he may make. If he does have information about children who are in jeopardy, then please let him bring it to my attention, rather than stand in the House and suggest he has such information. I would also point out to him that if he knows of children who are in jeopardy then he might well bring it to the attention of the Children's Aid Society

as well. They do have responsibilities in that area.

Mr. McClellan: The minister may rest assured that I will.

Hon. Mr. Norton: All right. If the member has information, I would like to have it.

BLAIR REPORT ON TAXES

Mr. Swart: My question is to the Treasurer. I want to know if he soon intends to make a statement, or perhaps produce a white paper, on his intentions with regard to last year's budget proposals in budget paper E on the Blair commission's report on so-called tax reform?

Hon. Mr. McKeough: Mr. Speaker, we have just received a rather comprehensive report from the Association of Municipalities of Ontario which, I think it's fair to say, is the only complete response that we have, and perhaps will receive, to the Blair commission report. We have it under examination. We are waiting on the Ministry of Revenue for the complete results with the 1975 figures updated, which we expect to have sometime next month I believe. The answer to the member's question is that I don't anticipate making a response in the very near future to the Blair report, but no doubt we will in the future.

Mr. Swart: Will the Treasurer, when he tables his intentions, if and when he tables his intentions with regard to the Blair commission report, as to what he is going to do with tax reforms, will he also table his intentions on grant policy to municipalities—transfer policies with regard to transfer payments—recognizing that tax reform means little unless we know what the grant policy is going to be?

Hon. Mr. McKeough: Mr. Speaker, I discussed this with AMO the other day. I wouldn't want to indicate we would be in a position to give a complete response on all the grants. I suppose it is fair to say that, as they affect municipalities — and this is a guess — somewhere around 95 per cent of the grant money, or changes in the grants, would be in three areas: in the resource equalization grant, in the general legislative grant for education, and to a lesser extent, but not insignificant, in the municipal road grants of the Ministry of Transportation and Communications. It would certainly be our aim to indicate our intentions with respect to those main grant programs, which plus the other unconditional grants are by population and not related to assessment. I doubt that we would be able to with all of them, but with respect to those main ones, at such time as we release the figures and our intentions the answer to the question is "yes", but perhaps not quite as far as the member intended.

[3:15]

Mr. Roy: I have a supplementary. When the minister is tabling his response or his views on the Blair commission report and the question of taxes, would he possibly give some explanation why it is that, for instance in the Ottawa area—and this has come out again in a later report and I asked him a question about this last year—the taxes in Ottawa are up to 25 or 50 or 100 per cent more, when we are talking about municipal and school taxes, than any other area of the province? For instance, on an average, they are $95 more than in Toronto. Could he give some explanation? He refused to do it last year. I would like to get his views on that this year.

Hon. Mr. McKeough: I can't believe that I would have refused to do so. It is not my recollection that on a household basis the taxes in the city of Ottawa are that significantly different from other areas of the province.

Mr. Roy: They are. The Treasurer's own reports say that.

Hon. Mr. McKeough: If the member would be good enough to send me some particulars, I would be glad to try and analyse why that may be the case.

FRUIT TREE DAMAGE

Mr. Hall: A question for the Minister of Transportation and Communications: Will the minister advise the House when the special committee established to investigate salt spray damage to the Niagara Peninsula fruit trees will make a public report and recommendation?

Hon. Mr. Snow: Mr. Speaker, the committee, which includes representatives from the Ministry of the Environment, the Ministry of Agriculture and Food and my own ministry, is working on different aspects of this problem at the present time and I would expect that it would be coming forward within the next few weeks with some recommendations to me.

Mr. Hall: By way of supplementary, Mr. Speaker, I am concerned and I wonder if there is a valid reason for delay in the matter; first of all in that the problem is urgent, and secondly that during the election the committee was said to be meeting daily—

Mr. Speaker: Order, please. That's not a supplementary question. That's a debate.

Mr. Hall: I am asking if there is a valid reason for the delay, Mr. Speaker.

Mr. Speaker: That's okay then.

Mr. Hall: The point being that the previous information was that it was meeting daily and would take two weeks to wrap it up; and two weeks has long since passed.

Mr. Speaker: Is there an answer?

Hon. Mr. Snow: Mr. Speaker, the committee was only formed I would think three to four weeks ago and I do know that it has had a number of meetings. I have had some interim reports on the progress to date and, as I have said, within the next few weeks I am expecting the report.

Mr. Nixon: On a point of order, Mr. Speaker; are we to assume, sir, since you drew my colleague to order, that information given by representatives of the government during the election campaign cannot be validly raised in this House in the question period?

Mr. Speaker: No, no decision was based on that at all.

Mr. Nixon: Well what was the reason for your drawing him to order?

Mr. Speaker: If we check back through Hansard, I am sure we can define it. I just can't recall the actual words right at the present time.

SEAWAY TOLLS

Mr. Foulds: Mr. Speaker, if I may, I have a new question for the Minister of Transportation and Communications. What position has his government taken and what representation has his government made to the federal government with regard to the federal government's policy to increase Seaway tolls, which will have a devastating effect on inland ports on the Great Lakes, especially on the port of Thunder Bay, because it will possibly eliminate the grain trade there?

Hon. Mr. Snow: Mr. Speaker, we certainly have made a representation to the federal government. I believe both the Premier and myself have made public statements on the Ontario position regarding the proposed major increases in Seaway tolls. I would be pleased to look up those statements. I am sure they were sent to the hon. member, but if they weren't we shall send him another copy.

Mr. Nixon: Are you for it or against it?

Mr. Speaker: The oral question period has expired.

PETITIONS

ONE CANADA DAY

Mr. Stong: Mr. Speaker, although this does not take the form of a proper petition, I would like to rise on a point of privilege and offer to the Premier this document from the people of the town of Markham who met on One Canada Day and presented a petition with over 3,500 names on it signifying their intent to keep Canada one. I would like to present this to the Premier of the province on behalf of the town of Markham.

Mr. Speaker: I believe it is not really a point of privilege either, but the hon. member may send over his report or whatever it is.

MOTIONS

SPEAKER'S PANEL

Hon. Mr. Welch moved that a Speaker's panel be established to consist of Mr. Speaker, the Deputy Speaker and Chairman of committees of the whole House, the Deputy Chairman of committees of the whole House, and the Chairman of all standing and select committees. All committees shall schedule all matters referred to them after discussion by the Speaker's panel as desirable. Such scheduling shall ensure as far as possible that there is no interference with the business in the House.

Motions agreed to.

STANDING COMMITTEE SUBSTITUTION

Hon. Mr. Welch moved that unless otherwise ordered substitution be permitted on all standing committees, provided that notice of substitution is given to the chairman of the committee prior to the commencement of the meeting.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, may I point out at this time that the first two committees to be established under my next motion will meet tonight at 8 o'clock to start consideration of estimates; both the social development committee and the resources development committee.

STANDING COMMITTEE MEMBERSHIP

Hon. Mr. Welch moved that the following standing committees be established for this session, with power to examine and inquire into all such matters as may be re-

ferred to them by the House, with power to send for persons, papers and things, as provided in section 35 of The Legislative Assembly Act:

Social development committee, 16 members as follows: Baetz, Cooke, Dukszta, Elgie, Grande, Jones, Kennedy, Kerrio, Leluk, McCaffrey, McClellan, McEwen, Sweeney, Van Horne, Villeneuve, and Wiseman.

Resources development committee, 16 members as follows: Bolan, Charlton, Eaton, Havrot, Johnson, Lane, Laughren, Martel, McNeil, O'Neil, Pope, Reed, Riddell, Rollins, Stokes, Yakabuski.

The justice committee, 16 members as follows: Blundy, Bradley, Cureatz, Drea, Gigantes, Grossman, Lawlor, Lupusella, Philip, Renwick, Roy, Sterling, Stong, G. Taylor, Turner, Williams.

General government committee, 16 members as follows: Ashe, Cassidy, di Santo, Epp, Gaunt, Hall, Hennessy, Mancini, McCaffrey, McCague, McGuigan, Rotenberg, Sterling, Walker, Warner, Wildman.

Public accounts committee, 12 members as follows: Baetz, Drea, Elgie, Germa, Grossman, Hennessy, Mackenzie, Makarchuk, Nixon, Peterson, Reid, Sargent.

The report of the Provincial Auditor for 1975-76 and the public accounts for 1975-76 are hereby referred to the public accounts committee.

Motion agreed to.

STANDING MEMBERS' SERVICES COMMITTEE

Hon. Mr. Welch moved that the standing members' services committee be appointed for this session to examine the services to members from time to time, and without interfering with the statutory responsibility of the Board of Internal Economy in such matters, the committee is empowered to recommend to the consideration of the House matters it wishes to draw to the special attention of the board.

The committee shall be composed of eight members as follows: Ashe, Campbell, Cunningham, Davidson, Hodgson, B. Newman, Swart, Walker.

The committee shall have power to send for persons, papers and things as provided in section 35 of The Legislative Assembly Act.

Motion agreed to.

STANDING STATUTORY INSTRUMENTS COMMITTEE

Hon. Mr. Welch moved that the standing statutory instruments committee be appointed for this session to be the committee provided for by section 12 of The Regulations Act and have the terms of reference as set out in that section, and that the said committee in addition to those powers shall review and consider:

1. The role of the committee, with particular reference to the recommendations of the select committee on the fourth and fifth reports of the Ontario Commission on the Legislature and the practices of the Parliaments of Canada and the United Kingdom, and

2. The establishment of guidelines to be observed in the delegation by statute of power to make statutory instruments and the use made of such delegated power.

The said committee to report its recommendations to the House and that in addition to the normal powers of standing committees to send for persons, papers and things: it shall have power to employ counsel and such other staff as the committee considers necessary.

The committee shall be composed of eight members as follows: Cureatz, Davison, Eakins, McKessock, Pope, Rotenberg, Samis, Williams.

Motion agreed to.

STANDING PROCEDURAL AFFAIRS COMMITTEE

Hon. Mr. Welch moved that the standing procedural affairs committee be appointed for this Parliament. The said committee shall review and report to the House its observations and opinions on the operation of the standing and provisional orders of the House and such additional matters as may be referred to it by the House or by Mr. Speaker from time to time, and that the committee also have power to review the operation of particular boards, agencies and commissions for which annual reports have been tabled in the House and referred to it, and the committee may review the operation of these bodies as it selects with a view to reducing possible redundancy and overlapping. The committee shall review the eight points in the first paragraph on page 29 of the second interim report of the select committee on the fourth and fifth reports of the commission on the Legislature respecting proposed powers of committees.

The committee shall be composed of eight members as follows, with no substitution in membership: Breaugh, Foulds, Haggerty, MacDonald, C. I. Miller, Rollins, G. Taylor, Turner.

The committee shall be empowered to send for persons, papers and things pursuant to section 35 of The Legislative Assembly Act.

Motion agreed to.

SELECT COMMITTEE ON HIGHWAY SAFETY

Hon. Mr. Welch moved that a select committee on highway safety be appointed for the purpose of completing the report of the committee appointed in the 30th Parliament, such committee to be composed as follows: Young, chairman; Bounsall, Breaugh, Johnson, Kennedy, McNeil, Mackenzie, McCague, Nixon, Jones, Riddell.

The said committee will have power to employ counsel and such other staff as the committee considers necessary.

Motion agreed to.

ESTIMATES IN COMMITTEES

Hon. Mr. Welch moved that the following estimates be referred to the committees for consideration not exceeding 405 hours and 38 minutes as indicated.

In committee of supply: The Solicitor General, 20 hours; the Attorney General, 20 hours; Consumer and Commercial Relations, 20 hours; Correctional Services, 12 hours; Justice Policy Secretariat, 10 hours.

In the standing resources development committee: Housing, 8 hours and 34 minutes; Energy, 15 hours; Labour, 15 hours; Industry and Tourism, 15 hours; Agriculture and Food, 20 hours; Environment, 20 hours; Natural Resources, 25 hours; Resources Development Policy Secretariat, five hours; Transportation and Communications, 25 hours; Northern Affairs to be allocated.

In the standing social development committee: The Social Development Policy Secretariat, four hours and four minutes; Education, 22 hours; Colleges and Universities, 10 hours; Community and Social Services, 20 hours; Health, 20 hours; Culture and Recreation, 15 hours.

In the standing general government committee: Treasury, Economics and Intergovernmental Affairs, 20 hours; Government Services, 20 hours; Revenue, six hours; Management Board, three hours; Office of the Assembly, 10 hours; Office of the Provincial Auditor, five hours; Office of the Ombudsman, nine hours; Office of the Premier to conclusion, the Cabinet Office to conclusion and the Office of the Lieutenant Governor to conclusion.

Motion agreed to.

[3:30]

Hon. Mr. Welch: As the motion states, there remain 18 hours and 34 minutes for consideration of Housing estimates by the standing resources development committee; and as I indicated to the House earlier, that committee will meet tonight to continue those estimates starting at 8 o'clock. I would also draw attention to the fact that there remain four hours and four minutes for estimates of the Social Development Secretariat, which will be heard in the standing social development committee, also beginning at 8 o'clock tonight.

INTRODUCTION OF BILLS

SPECIAL EDUCATIONAL PROGRAMS ACT

Mr. Foulds moved first reading of Bill 28, An Act respecting Special Educational Programs.

Motion agreed to.

Mr. Foulds: This bill guarantees access to education to all children of compulsory school age who suffer from any kind of chronic physical disability or any kind of learning disability, including the blind, deaf, autistic, mentally handicapped and perceptually handicapped.

It could be properly called an education bill of rights for handicapped children. This bill is strengthened from the form in which I first introduced it last July. It makes provision for requiring boards to do adequate testing to determine the proper and full need of special educational programs. Frankly, in a province as rich as Ontario it is shameful that children of compulsory school age are denied full access to education.

Mr. Speaker: Order, please. We don't debate it, we just state the principle thank you.

ELECTION PUBLIC OPINION POLLS ACT

Mr. Samis moved first reading of Bill 29, An Act respecting Election Public Opinion Polls.

Motion agreed to.

Mr. Conway: I thought it was going to be a bill to abolish the Tories in Cornwall—

Mr. Samis: This bill prohibits the publishing and broadcasting of public opinion polls during an election where the polls relate to

the outcome of the election or the standing of any leader, candidate or party in the election. My colleague has baptized it the Regenstreif bill.

Mr. Speaker: Before the orders of the day, I will recognize the hon. member for Huron-Middlesex.

GODERICH SESQUICENTENNIAL

Mr. Riddell: Before the order of the day, and with your permission Mr. Speaker, it is my pleasure and privilege to bring to the attention of the House the fact that 1977 marks the 150th anniversary of the town of Goderich. Considered to be the most beautiful town in Canada, Goderich actually had its beginning on June 29, 1827. From that time and up until the establishment of Perth county as a separate county, Goderich was the district town of the Huron district which included then Huron, Perth, and Bruce counties. The town was founded by John Galt and Dr. William Dunlop. As a matter of interest the latter, commonly known as the Tiger, was member of parliament for Huron in the province of Canada. Therefore Bob McKinley, the sitting federal member—and that name should ring a bill—

Mr. Conway: He is related to the defeated Tory candidate.

Mr. Riddell: —Murray Gaunt, Hugh Edighoffer and myself can all be considered his political heirs. I am displaying on my desk a small flag of Goderich which will be very much in evidence in the town during the two weeks of celebrations, commencing with the official opening tomorrow, June 29. Mr. Cutt, chairman of the sesquicentennial committee, has asked me to extend an invitation to all members of the Legislature to visit Goderich during this anniversary year and to share in our celebrations.

So once again, Mr. Speaker, I would like to advise the House of the sesquicentennial of the founding of Goderich by John Galt and Tiger Dunlop in 1827; and of the fact that the Tiger once held the seat for Huron district, and that the spirit of adventure, fidelity, loyalty and industry exhibited by the early pioneers and the representatives in the House still exist in the fine people of this area and their representatives today.

Interjections.

Mr. Riddell: I do hope, Mr. Speaker, that the members of the Legislature will avail themselves of the opportunity to visit our fair town—

An hon. member: Certainly will.

Mr. Riddell: —to see for themselves the type of thing that John Keats must have had in mind when he wrote "A thing of beauty is a joy forever."

Mr. Roy: And you thought he was talking about you.

ORDERS OF THE DAY

BUDGET DEBATE
(continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. S. Smith: Mr. Speaker, I am pleased to speak following the remarks of my learned colleague. I have no flag to wave. I can't even claim to be a thing of beauty nor even a joy for a moment, let alone forever; but these humble words I hope will find some friendly ears across the way and if the Treasurer (Mr. McKeough) is so inclined he may even decide to adopt some of the suggestions which we put forward in a spirit of consultation and co-operation.

The budgetary statement made by the Treasurer at the opening of this House yesterday did, as I brought to notice during question period, contain a number of revisions. Interestingly, as I did bring to the notice of this House, two of the matters that were not revised were the number of new jobs expected and the number of housing starts expected. I must tell you I remain puzzled as to how the same party that could produce a charter and publish it in full page ads in every newspaper of Ontario, could at one and the same time be preparing a revision for the benefit of this House of Ontario's budgetary strategy; and in the charter promise 100,000 jobs and 90,000 homes, and yet in the actual document of the budget strategy agree that the revision itself accepts a target of 89,000 jobs and 80,000 houses.

It's hard for me to understand how the same party could put forward at almost the same time vastly different figures, one in the form of a genuine financial document which I do not quarrel with—the Treasurer's predictions have usually been accurate, with the exception of jobs last year—and the other in the form of a pie-in-the-sky promise which was treated by the people of Ontario with the contempt it deserves.

Mr. Roy: It's called puffery in the trade.

Mr. S. Smith: The strategy with regard to the economy that we in the Liberal Party would like to put forward basically differs

only somewhat from strategy which the Treasurer has discussed. I think the Treasurer agrees, and we agree, with a general policy which says that we have to move toward a balanced budget and with a general policy that says that Ontario's long term growth is best assured by the private sector, and therefore the government must restrain the demands that it makes on the economy.

I feel that government restraint is something which I suspect the Treasurer and I agree upon. The difference seems to be that the Treasurer seems to feel that he has gone as far as he can go in restraining the growth of government, whereas we feel that it is necessary that the share of every dollar in people's pockets that goes to government must be no larger than it is right now. We believe there is room for restraining government expenditures even further.

I demonstrate to you again, as I did in question period, Mr. Speaker, that on page 13 of the Treasurer's document reaffirming Ontario's budget strategy he makes it very clear as he did in his answer to me today in question period, that Management Board can be told to cut $133 million almost with a snap of the fingers. It is hardly something to be considered in great detail. It is simply sloughed off as a very simple matter. Frankly, I agree that $133 million can be found, but I also believe that a lot more than that can be found. I feel that it's time for us to look at the entire accounting policy and the strategy that the government uses in dealing with money generally.

I would point out that 13 per cent of the government's expenditures are made in the 12th month of the fiscal year. If the expenditures were carried forward as one might expect in equal quantities month by month, one of course would expect about eight or nine per cent of the expenditures to take place in any given month. Yet in the 12th month of the fiscal year we find almost a 50 per cent increase in the rate of expenditure in as much as instead of eight per cent or nine per cent they spend 13 per cent, and that according to the Provincial Auditor's report.

The reason for that is very simple. When we have a system of accounting which says that any money we don't spend by the end of the fiscal year, we lose, the natural tendency in all of us, I suspect, is to spend that money before the final deadline to get the money spent. If we gave the civil servants the right to carry over of these budgetary items, they might discover in the fullness of time that perhaps circumstances have changed, that certain items don't need to be bought, that certain items might be better off leased or foregone perhaps, and if we didn't penalize the people in this way by taking back the money at the end of the fiscal year, we believe that considerable savings could be effected. We think that's plain common sense.

We also believe that the present policy of accounting of the government, which says to people, "If you've spent a certain amount of money this year, you can count on getting that in your budget next year plus a certain increment," also gives an incentive to people to spend money in the last minute so as to be able to come in with higher expenditures at the end of the fiscal year and to be able then to obtain higher budgetary allocations in future years.

Good evidence of that, of course, was the memo that was circulating last spring in the Ministry of Government Services, in which advice was given to encourage suppliers to bill as much as possible during the last month of the fiscal year so that certain budgets would not be cut in future years. This is the wrong attitude to take towards the public's money. I would ask the Treasurer — not in a nasty or partisan way — to consider seriously changing his accounting methods to allow a certain carryover and to get away from the incremental idea that you get a budget each year according to what you spent the year before plus a certain increment.

I would ask the Treasurer furthermore to consider seriously a form of zero-base budgeting. I know from previous comments he has made to this House that he is thinking about that. I would ask him to speed that along, to take the House into his confidence and to have some consultation, wherever reasonable, with our own financial critic on this matter, because we feel we have good reason now to move towards a policy of even more restraint in terms of government spending. Frankly, we would like to be party to some of the information the Treasurer has upon which he's going to base these decisions. We think we have, if I may say somewhat immodestly, some reasonably good ideas and at least the right attitude which we'd like to bring to such consultations.

We believe that this province requires a form of sunset law; that is to say, a regulation by which all programs, all commissions and all organizations set up by the government automatically come to an end at a given period of time, be it three years of five years after the commencement, unless good reason can be evoked and demon-

strated to require that such commissions continue; even then, they may continue with a different mandate or on a different policy or in a different scale. But the fact remains that there should be something which can start to take away programs rather than constantly adding to the list of overbearing government that we have nowadays in Canada — not just in Ontario, but we're speaking of Ontario. It seems to me that an attitdue which starts to create less government rather than more government is one which is long overdue, and I suspect that philosophically the Treasurer is not very far from agreement with me on such matters.
[3:45]

I think it's important too that we recognize that the government restraint which the Treasurer is somewhat proud of—he mentions a nine per cent growth and so on—applies only to the provincial scene. I think it's terribly important to recognize that government in general in Ontario has grown considerably more than that. I point out to you, Mr. Speaker, and to members of this House, as well as to the Treasurer, what he already knows, namely that municipal expenditures and regional expenditures, including both school boards and other municipal services, have continued to increase at a rapid rate and have placed an enormous burden on the taxpayers of this province.

During the recent election campaign—there's one good thing about campaigns, strenuous and arduous as they may be they do allow one to get into close contact with thousands of people in Ontario, and I heard a message over and over again, and I want to pass this on to the Treasurer, that people felt the property taxes they were paying in many instances had pretty well reached the limit that they could tolerate.

I found numerous instances, not so much of very elderly people, but of people of late middle age, let us say, who found themselves with a home to keep up, with perhaps a status of separation or widowhood and in a situation where the property taxes were truly bringing them to the point where they felt they could no longer stay in their own homes. In fact, I began to hear that from so-called middle class people as well, who are beginning to find the property tax burden really quite enormous and quite crushing.

In regional governments, this tax burden has been even harder to take and since the duplication inherent in regional government has pretty well flown in the face of common sense and logic of the ordinary citizens of these areas, these governments are now being blamed for a lot of the property tax burden.

I accept that not all the burden is due to regionalization. Nonetheless, I think we have to think seriously about this matter when we consider that even per capita spending between 1970 and 1975 went up only 41 per cent in non-regionalized municipalities, but 105 per cent in regionalized areas. Of course, that compares with 73 per cent in Metro Toronto.

It seems to me, therefore, that it's not enough to speak of restraint of the provincial budget. We must look at the overall picture as far as taxes go in the province of Ontario in every aspect that's under our jurisdiction, and that must surely include municipal, regional and school board expenditures.

Mr. Cassidy: You think you are still back on the hustings, you know.

Mr. Conway: Your campaign is just beginning, Michael.

Mr. S. Smith: The fact is—

Mr. Cassidy: This is the most ridiculous stuff this House has ever heard.

Mr. Speaker: Order, please. The hon. Leader of the Opposition has the floor.

Mr. S. Smith: The fact is that there are some differences in attitudes between our party and the party that presently forms the government of Ontario. One particular difference is this: we believe that our future can be best assured—

Mr. Cassidy: You are even sillier than they are.

Mr. S. Smith: —by pinpointing and targeting the small business sector of Ontario. We recognize that the Treasurer has a commitment and a belief in large-scale industry, in more corporate concentration, and in so-called economies of scale which he believes in the long run can assure the international competitiveness of Ontario and the prosperity of one and all in the province.

We believe, however, that hand in hand with a large business policy there must be a genuine commitment to small business, to labour-intensive industry, to the deconcentration of economic and political power and to the growth of small-town Ontario which we think in the long run, given the drastic changes occurring in the energy picture in the world, will be vital to our future. We think that, in fact, we have to make a real commitment to small-scale technology, we have to recognize that many of our tax laws today put artificial preference on those companies which can mechanize, those companies which are capital-intensive and those which are highly concentrated.

Mr. Cassidy: Now I know why you got no seats in Metro Toronto.

Mr. S. Smith: It is extremely important

that we recognize the need for the small businesses to be able to obtain capital on a reasonably competitive basis with the large industry—

Mr. Nixon: You still living on the island? Are you a Metro member?

Mr. S. Smith: —and it's important for us to recognize that the future in terms of employment and quality of life in Ontario lies in the small towns and in the small businesses.

It's no favour to Toronto or any other large municipalitity—and my own riding is in a large urban municipality, Hamilton West, of course—it's no favour to those municipalities to create a situation where little exists in the way of opportunity for the young people in the north and in the east and in towns of the west and smaller parts of central Ontario, so that these young people have no option but to trek into the larger municipalities, to crowd these places, to compete for work in these places, and to create social conditions which are not in their best interests, nor in the best interests of Ontario generally. We have to have a policy of decentralization of both economic and political power in Ontario and that means a genuine policy of fostering the small towns and the small businesses of Ontario.

Mr. Cassidy: With insulation inspectors in every block, eh?

Mr. S. Smith: We made a particular suggestion and that is that the jobs could be created in the small business sector of Ontario.

Mr. Roy: Tell us about the $4 an hour, Cassidy. Tell us, eh?

Mr. S. Smith: We made a sugestion that that could be done—and I hope that the Treasurer will take this seriously—by giving a certain incentive to the small business people by paying a portion of the salaries of new employees.

This is not a totally heretical notion. I point out to you, Mr. Speaker, that the Treasurer himself has put before this House a program of supplementing the wages of Ontarians for summer jobs to the tune of $1 an hour and he feels that this has created certain jobs. I think he used the term of 20,000 jobs and we welcome the fact that some summer jobs have been created. However, there's no reason to believe that the same principle could not work for permanent jobs—new permanent jobs, but targeting the small business sector and the medium-sized business sector in Ontario. We think that is a constructive suggestion. We think it can work and we would like to see it tried.

Mr. McClellan: Tell us about the eight per cent ceilings.

Mr. S. Smith: We feel, as well, another suggestion we have made is one which the Treasurer should consider seriously, although we accept that it may be more in the Ministry of Colleges and Universities. We believe that it's important to adopt an apprenticeship program in Ontario much broader than the one that presently exists.

Without taking the time of this House in great detail, I do want to point out that we suggested that employers who wish to train apprentices could register with the industrial training branch of the Ministry of Colleges and Universities. They would establish and monitor standards for these programs and applicants would be registered and directed to potential employers who would decide themselves which applicants are acceptable for training. It's kind of a matching service. There would be on-the-job training and this would deal with not only the blue-collar trades which are presently incorporated, but other service, sales and clerical jobs.

I would point out that this thinking is not totally foreign to the government, in as much as the Minister of Colleges and Universities has commented along similar lines some time ago, but I am disappointed that we've seen no genuine action in this regard. We have seen no real movement forward and this at a time when so many of our young people are caught in the gap between school and the job market.

So many of them come out of school; they don't have the experience; it's very difficult for them to find a job. Yet on-the-job training at a reduced rate of pay while they actually benefited to the point where they could become skilled in an area and have a diploma or a certificate is probably just the answer for so many of our people. I remind the House that 73 per cent of young Ontarians don't go to college or university and consequently we have to think of what we're going to do for this vast bulk of our young people who are facing a very difficult future today.

We believe, of course, that it's important to change our manpower guidance and planning devices. We have to have better figures. It's simply inexcusable that people are being encouraged to go into teaching and nursing when we know very well that there are positions lacking in these areas. We believe the government is beginning to

move but, frankly, far too late. I think the blame must be taken by all parties in this regard and by the federal government as well, but surely now that we see the kind of trend that we're up against, it's long past time that we start to tailor the output of such institutions as teachers' colleges and so on to the real needs of the job market and that we start to advise and to guide our young people in a way that doesn't mislead them or lure them into areas where there is really little hope of employment.

We have made suggestions for assisting the mining industry, which we think is one of the fundamental sources of genuine wealth in the province of Ontario. We feel that the competition between the federal and the provincial governments regarding royalties and taxes has been one of the factors creating doubt in the investment climate in mining. We feel that far too much investment is now leaving Ontario and moving toward Indonesia, Australia and other parts of the world. We think it's important that the federal and provincial governments get together and negotiate a tax ceiling, an agreement that is going to last at least five years, so that the mining companies have some idea of where they stand and can plan their investment accordingly.

We have suggested that the government should carry out airborne surveys. This was done in Quebec and it led to a fair amount of small-scale prospecting, a fair amount of small-scale development in smaller mining endeavours. We think that might have the same stimulating effect right here. I have told the House in the past that it used to be that the prospecting industry, the small mines, the junior mines and so on, were a real source of economic activity in the province of Ontario, particularly in the north. What we find now is that this has just about dried up. Our prospectors are leaving. Ontario is no longer a source of expertise in this area, or—let me be correct—is rapidly becoming a place that's no longer a source of expertise.

I think it's important to take steps now to protect that industry. Along these lines we have suggested that the Ontario Securities Commission regulations should be overhauled, as has been promised for months and months, and even years, so that junior mines can once again find investment and carry out their rightful role in Ontario's economy.

The construction industry: Surely, if there is any way we can create jobs and create a social good at the same time it is by stimulating our construction industry. There can surely be no argument about that. Yet what is the government doing? Pitifully little. A very small subsidy of $600 or something to apartment builders; pitifully little.

I think it's terribly important for us to take drastic steps now to stimulate building, particularly of affordable housing but of construction generally. I ask the Treasurer to explain to himself, and to the rest of us, why it is that at a time when thousands of jobs could be created in Toronto by completing the Ontario Municipal Board hearing and by getting on with building here in Toronto, why is it that the OMB has taken off the entire month of July? To recover from their break-neck pace of hearing by which, I think, they met four days of the week and six hours or so out of the day? What is the need for a full month's adjournment at this time when so many people are without work, when every moment of delay can be counted in terms of human difficulty not to say human tragedy.

We believe that the Toronto plan ought to be proceeded with as quickly as possible and hope that the government will take the steps necessary to get the Ontario Municipal Board functioning as it should. We believe it is simply ludicrous that in the province of Ontario subdivision approval has come to be a lifetime work for so many people. To get something approved in terms of a subdivision represents a hope in longevity, a certain faith in the future; and possibly even a faith in geriatric medicine, because to live to see these approvals come in is almost a unique experience. People hardly even want to build with these approvals. It is something to be framed, to be enshrined, so rare is the opportunity to actually live to see one of these approvals come through.

It is absolutely idiotic. We are all paying through the nose. There are red tape mechanisms and delaying mechanisms in force throughout Ontario in a way that prevents affordable housing from being built quickly and effectively. When you introduce long waits of this kind you make it impossible for the little guy.

The little guy can't wait. The big fellow can wait. He can wait, and when the approval comes through, he may or may not build, depending on whether the market is good. He can wait for the market to turn just a little more favourable if he so pleases. The small builder has to take a chance. If you could give him the approval quickly, he has to build because he needs the money from that house to get on with another. That's what makes a genuine market for people and gives people the benefit of a decent market.

But people have been insulated, prevented from benefiting from a genuine market, a

free market, because the small builder has no hope. He can't sit and wait; with the enormous costs involved he can't sit and wait for the approval process.

Mr. Cassidy: This has all the depth of a puddle on city hall square.

Mr. S. Smith: We believe it's terribly important that we set a limit. We have set a limit of 18 months approval. Every approval in Ontario must be through in between 12 and 18 months; and it will be automatically approved in that time unless proof is brought forward in that time explaining why it cannot be done.

Mr. Nixon: We are on your side, Mike. We hope you win.

Mr. Cassidy: Bob, you should have stayed at the helm you know.

Mr. S. Smith: It is time that we knock a few heads together, if necessary, so that the municipalities that are avoiding their share of affordable housing will recognize that every municipality has to take its proper share of affordable housing in the province of Ontario, and that's something that's long overdue.

Mr. Cassidy: There goes autonomy once again; another glib answer from the Leader of the Opposition.

Mr. Speaker: Order, please. Fewer interjections.

Mr. S. Smith: The more I hear of the asinine interventions of the member for Ottawa Centre, the more tempted I am to carry out my caucus's wish to make a considerable contribution to his leadership campaign. Obviously no single event could help this party, or for that matter the party opposite us, any more than his election and elevation to the level of leader of that party.

Mr. Conway: Brian Cameron almost took care of him.

Mr. Breithaupt: We'll give him $4 an hour.

Mr. Conway: Brian Cameron almost fixed him.

Mr. S. Smith: It's marvellous that the hon. member for Ottawa Centre belongs to a party that would stimulate the economy at a time when restraint is the keynote by offering a 50 per cent increase in the minimum wage—

Mr. Warner: That's fine for you people.

Mr. S. Smith: —and having that then filter directly through the entire economy, increasing people's expectations and increasing the demands made on the economy.

Mr. Cassidy: We were worried about the cost to your cleaning woman.

Mr. S. Smith: —when it's time for the fundamental realization that you can't take more out of the economy than the economy has to give you. It's about time we recognized that.

Interjections.

Mr. S. Smith: We believe that other opportunities exist—and we want to bring these to the attention of the Treasurer—to create employment and to create social and economic good at the same time. In the field of energy we have suggested two particular measures, one of which has recently been touched on by the federal government. We believe that it's necessary to bring homes in Ontario up to a proper standard of insulation. We think, therefore, that there should be some form of insulation program, be it the one we suggested during the election campaign or the federal government's suggestion.

Mr. Cassidy: You mean the compulsory one.

Mr. S. Smith: In any event, there must be a crash program undertaken immediately in the field of home insulation. That could create a lot of work in the small business sector and, of course, it can save the precious resources which we ought to be keeping for our own young people. Furthermore, it can avoid some of the very large capital spending that is required if we continue to waste energy at the rate we do at present.

Along those lines, harking back to my comments about small-scale technology and small-town enterprises, let me suggest that the time has come for us to have small-scale generation of power and electricity. I hope the Treasurer will recognize the enormous savings which can result to the economy of Ontario if we move in that direction. With these massive plants which produce electricity, there is an enormous heat loss—most of the energy, you can say, is lost to the atmosphere or to the surrounding water or surrounding air—whereas, in the smaller scale developments, in the smaller towns, we can produce power and utilize the heat that is so produced in a way that can yield a great saving in terms of overall energy wastages as we know them at present. It's time for some innovative thinking, and I hope that the Treasurer, who in the past certainly has been willing to undertake new ideas, will recognize that this is an opportunity for us to move together in a new direction for Ontario.

In addition to an insulation program, I want to ask that this House consider the creation of a large solar energy industry in Ontario. Ontario has the brains; unfortunately, we have been exporting the better jobs to the United States, both in the auto industry, as the Treasurer noted today, and in other in-

dustries, where the mother company in the United States tends to do the development and the research, and we here tend to be assemblers, marketers and so on. I think it's terribly important that we really put an investment and a genuine faith in our young people in Ontario and create an innovative forward-looking industry that eventually can serve the world. If we don't do that now, we will end up as clients of those countries that are currently developing their solar energy and other renewable energy capacities. We will end up importing the technology from those places.

We have an opportunity to use our highly educated population, most of whom are either unemployed or under-employed. We have an opportunity to create in this province a real step forward, a real faith in the future, real faith in our own young people, and I suggest that we ought to encourage the development of a solar energy industry. One of the ways to encourage that development is to see to it that every provincial building, as quickly as is feasible, will introduce into itself some form of solar energy or solar heating, be it space heating, water heating or whatever. The more we do that, the more we give our fledgling solar energy industry an opportunity to experiment, an opportunity to improve its production methods, an opportunity to develop expertise and production efficiency, and eventually with the longer production runs we can be competitive with other parts of the world.

I have faith. There were many people who felt Canada could never compete in atomic energy with the United States, that great giant to our south, and yet we did, and now we produce probably the best reactor in the world. I tell you that if we put the same faith into solar energy or other non-renewable energy and into young Ontario, into intelligent Ontario, I believe we can have a solar energy industry here so that we will be ready. Manufacturing is not the way of the future anymore. Manufacturing has been the way in which Ontario has created jobs and most of the jobs here over the entire history of this country, but manufacturing in the long run will not be able to be internationally competitive without being highly mechanized. Yet we have to create jobs for people, not just machines. We have to be thinking in terms of higher technology.

Mr. Cassidy: In the long run you'd be dead, thank God.

Mr. S. Smith: We have to be thinking in terms of the computer age, in terms of the age of renewable energy. The time has come, therefore, to really put an investment into the solar energy industry. I believe Ontario can do it. We have the resources, we have the people, we need to have the determination to do it. In the provincial government we have the opportunity to give leadership by adopting solar energy devices in our buildings as rapidly as possible so as to give genuine encouragement to those who are presently in the forefront of solar energy.

I'm going to draw my remarks to a close now, Mr. Speaker. I want simply to say that we believe there is room for more restraint in government. We believe that as easily as the Treasurer could simply slough off $133 million in terms of telling Management Board to tighten up, there are probably many, many other instances in which this restraint could be adopted and taken much farther.

We point out that there are accounting methods which I've suggested. Zero based budgeting. A different attitude toward year-end budgeting. We suggested sunset laws for government programs. We've suggested ways in which genuine savings can be adopted and created for the people of Ontario. We have recommended that jobs be created and actually I think, frankly, that not all the good ideas are sitting over in the Treasury benches. I think some good ideas are here and some good ideas are in the New Democratic Party—

Mr. Conway: Never.

Mr. S. Smith: —and I think that a select committee of the kind that I recommended for job creation could sit over the summer with great benefit to all Ontarians, and frankly it's worth the investment to try that. I hope seriously that the Treasurer and the Premier will reconsider their refusal of what I've put forward not as a political gimmick but as a meaningful idea and an offer of consultation in the public interest.

I feel we have to recognize the need to encourage small business, to encourage apprenticeship, proper manpower planning and guidance. I feel it's important that we encourage our mining industry, that we get the OMB moving and get rid of all the kind of red tape that prevents subdivision approvals so that our construction industry can get moving, and I've suggested some innovative ways in which we can stimulate our economy via energy production and various industrial aspects related to energy.

That has been put forward in this House, Mr. Speaker, as our effort to be constructive rather than critical, to be helpful rather than carpy, and I hope that our remarks will be taken in that sense, and I hope that we

will have the benefit of some positive and reasonable response from the Treasurer and from his colleagues.

I trust minority government can be made to work well this time, as the people have asked us to do. I trust we can depoliticize it to a reasonable extent without, of course, losing the reasonable parliamentary prerogative. I trust also that the people of Ontario will be well served and will be proud of the actions we take here.

But we mustn't waste the summer. We mustn't waste time. We mustn't pretend there isn't a problem when there is one, and I hope therefore my remarks can be taken in the constructive manner in which they are intended.

Mr. Speaker: Just before we recognize the next speaker, I should inform the House that, pursuant to standing order 28 and provisional order four, the member for Hamilton East (Mr. Mackenzie) has given notice that he is dissatisfied with the answer given by the Minister of Labour (B. Stephenson) concerning the minimum wage. This matter will be debated at 10:30 this evening.

I should also point out that there is a slight irregularity here, and I accept the responsibility for this. I was notified in writing — the member should have notified us verbally. But I am partly to blame for that so I accept that and I think we should allow the hon. member to make his point at 10:30 this evening.

In future, of course, we should bear in mind that our new provisional order says verbal notice of the intent to raise a matter in debate immediately at the end of the question period should be given.

I will now recognize the member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker.

Mr. Conway: The new Ed Broadbent. Cassidy for leader.

Mr. Roy: Where's the striped suit?

Mr. Cassidy: That has been put in mothballs for the summer, as a matter of fact.

Mr. MacDonald: I thought you were going to have a constructive approach—

Mr. Speaker: Order, please. This has been a very orderly debate up to now. I think it should continue with fewer interjections.

Mr. Cassidy: Mr. Speaker, the budget has already been debated in this House and I have worn my striped suit for that particular occasion. It has been discussed exhaustively during the election campaign which ended two and a half weeks ago. To consider the Treasurer's proposals yet again in this Legislature, therefore, fills me with a sense of futility and frustration — frustration because the Treasurer's statement yesterday demonstrated that despite the Conservative Party's failure to win its coveted majority in this opportunistic election it has neither learned anything nor forgotten anything as a result of its contact with the electorate; futility, because the Treasurer has rushed back to this House with a mixture as before.

He still somehow believes all is right with Ontario despite the very serious evidence to the contrary. He promises that should they be required, supplementary actions may be forthcoming to stimulate the economy in selective areas. This budget debate will go on until December, and we will pursue this Treasurer for those actions which are so urgently required. But I confess I have little faith that he will respond.

Yesterday's budget statement is as full of misrepresentation as the Treasurer's original budget, no more than eight weeks ago. Can I say now that the 1977 budget is a "sound and effective fiscal and economic plan of action" to quote the Treasurer's words? The Treasurer's figures are as misleading as eight weeks ago. His claim to have created 88,000 jobs since December is absolute nonsense. The real comparison is between May of this year and May of 1976. In that 12-month period Ontario needed to create 125,000 jobs just to stay where we were. The Treasurer promised 116,000 and delivered 79,000.

What is significant is that a number of the charges that we raised eight weeks ago are now acknowledged by the Treasurer. The NDP told the House that Darcy McKeough's revenue estimates were phoney. He now agrees, and has cut them back sharply. We warned that his estimates of unemployment were too low. He now agrees and has raised the forecast unemployment rate to 6.7 per cent for 1977. During the campaign we said the Conservative promise of 100,000 new jobs a year in the charter for Ontario was phoney, and Darcy McKeough agrees with that. Despite his supposed success in the first five months he is forecasting only 88,000 new jobs for all of 1977. The charter's promise of 90,000 housing units a year is also ignored. The Treasurer is forecasting only 80,000 units will be built this year.

Mr. Conway: Not too many to listen to you.

Mr. Cassidy: Is there any sign that the Conservatives will learn from their experiences? All the evidence is no. This week's budget statement contains as little evidence of long term industrial strategy to get our economy on to a firm footing as the budget of eight weeks ago. If the government has

any plans to create the jobs Ontario needs over the next 10 years, beyond a blind reliance on the private sector, they are still well concealed.

Mr. Conway: Mike, I wish you would talk slower.

Mr. Cassidy: On one front ideology has gained ground over the practical needs of Ontario. The 1977 budget spoke of achieving a capacity to balance the budget by 1981. The Treasurer now says he looks forward to a balanced budget by 1981 regardless of whether or not this will be appropriate to Ontario's economic and social needs. The balanced budget was another promise in the charter for Ontario and it has no more credibility than the rest of that document.

I can't help feeling rather bitter about this rather unnecessary election campaign these past few weeks.

Mr. Conway: What about your non-confidence motion?

Mr. Cassidy: We lost eight critical weeks when we could have been out working new approaches for the economy.

Mr. Conway: What about your non-confidence motion?

Mr. Cassidy: New approaches to ensure young people and adult workers the jobs that they so desperately require.

Mr. Conway: What about your non-confidence motion?

Mr. Cassidy: The civil service has been paralyzed for a much longer period of time waiting for the election, waiting for the election to end, and then waiting for new instructions from the government.

[4:15]

Mr. Conway: You wanted the election more than they did.

Mr. Cassidy: All of the evidence is that they spent most of their time costing NDP programs and then being repudiated by the Treasurer.

Mr. Conway: Where do you stand on nationalization?

Mr. Cassidy: We frittered away the chance for new approaches. All we got was a document with a glossy new cover.

One day after the election, in my riding office no less than five adult men came to me, one after another, men who were normally secure breadwinners with years of experience in their trade. Four were unemployed, the fifth was working out a contract and had no further jobs after next month.

One of my visitors was an immigrant from Jamaica, a proud family man who had worked hard and contributed a lot to Canada in the seven or eight years since he had moved here. He recently moved his family of four children from a two-bedroom apartment to a newly bought home. This winter, the debts piled up. But as a roofer he knew that every spring he would be able to pay off what he owed. In mid-June, at the height of the roofing season, this man came to see me because he was unemployed.

That's the reality that Darcy McKeough and the Conservative government will not face. It breaks my heart after the election to say to people such as this fellow: "I am sorry, but the Conservatives have spoken and have decided that you are just statistics and not really worthy of any concern." That's the approach they are taking.

So far as I can see, there was no meaningful economic strategy offered by the Conservatives during the course of this election campaign. What substituted for strategy was a vicious campaign of anti-socialist diatribe such as Ontario has not seen for 30 years.

The campaign promises and threats that were put forward by Conservative candidates from their leader on down—

Mr. Laughren: It was worthy of their leader.

Mr. Cassidy: —were, to put it mildly, deceptive. When a candidate like John Turner, who has left now, told the people of Peterborough that they should vote PC to stop the layoffs in that city, the Tory promises were nothing short of lies. One wonders if the result in that riding would have been the same had the people of Peterborough known that days after the election Outboard Marine would be closing a plant, putting 450 people out of work.

Is there a response from the Conservatives to the continuing deindustrialization of our manufacturing sector—or from the Liberals for that matter? We will look forward with interest to see whether the member for Peterborough (Mr. Turner) has any response, or Mickey Hennessy, the new member for Port Arthur—

Mr. Laughren: Forget it.

Mr. Hennessy: Fort William, my friend.

Mr. Cassidy: —or the new member for Timiskaming (Mr. Havrot). The fact is that these new members will change nothing.

Mr. Conway: Where do you stand on nationalization? Tell us about nationalization. Where do you stand?

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: I gather though that the

member for Renfrew North has learned nothing and forgotten nothing from this campaign as well.

Mr. Conway: Where do you stand, right here and now?

Mr. Cassidy: I doubt if any of the new Tory MPPs have a contribution to make and certainly there are none who have entered the House with the stature that we thought was possessed by the Minister of Labour (B. Stephenson) or the Attorney General (Mr. McMurtry) before they entered politics and proved they had feet of clay.

Mr. Nixon: What do you know about stature?

Mr. Cassidy: The one achievement that these new backbenchers have is that they have temporarily brought to an end the strong creative and constructive contribution to the future of Ontario and the future of their ridings that was being made and—

Mr. Nixon: What kind of a comment is that? What kind of a judge are you? Descended from some mountain?

Mr. Cassidy: —was the mark of such members as Gillian Sandeman, Iain Angus, Bob Bain, Bill Ferrier, Doug Moffatt and Dr. Charles Godfrey.

Mr. Roy: Are you challenging the electorate?

Mr. Conway: Are you bitter?

Mr. Cassidy: As a matter of fact, I am. The electorate is going to rue the day that those members left the House and they certainly won't welcome the contribution that the new members from those particular ridings have to offer.

Interjections.

Mr. Nixon: You are going to punish us by speaking.

Mr. Cassidy: Mr. Speaker, the Treasurer suffers—

Mr. Peterson: When you get down to specifics, you may be right, but it is an arrogant thing to say.

Mr. Cassidy: —from such a divinely arrogant sense of self-assurance that perhaps he doesn't even sense how reluctantly he and his colleagues have been returned to office. Back in February the Conservative Party had a 15 per cent lead on the official opposition and a commanding chance at a majority. They blew it for reasons which we think are predictable.

Mr. Conway: More than you do.

Mr. Cassidy: Quite simply, this is a government which is old and tired and arrogant and which has run out of juice and run out of ideas.

Mr. Nixon: Now Hennessy is here they are not out of juice.

Mr. Cassidy: Neither Darcy McKeough nor the other ministers around the Premier are capable of providing the innovative economic leadership which this province needs—

Hon. Mr. Kerr: Who wrote that for you?

Mr. Cassidy: I did—and that fact is reaffirmed in every word of the Treasurer's statement yesterday.

Mr. Conway: He sent 2,000 copies out to the delegates.

Mr. MacDonald: He writes his own.

Mr. Conway: What's the cost of these?

Mr. Cassidy: I don't know how many millions of dollars we've spent in the last eight weeks waiting for the Treasurer to come up with that particular document which was written for him by the people in the Treasury and, frankly, it wasn't worth the paper it was written on. The central economic issue that we have to resolve this year is the question of jobs. That is what I want to talk about today, although I will have a few words to add on the question of national unity.

Mr. Conway: Just a few. Oh.

Mr. Cassidy: After the strong but constructive criticism which we delivered to the Treasurer two months ago I was very depressed to hear the old shibboleths come back and to see no effort whatever devoted to rectifying the glaring mistakes of the April budget.

Mr. Nixon: You are doomed to be frustrated.

Mr. Cassidy: Our employment problem has become chronic. I am sure the former Leader of the Opposition knows about that.

Three hundred thousand people are out of work. There are no prospects for improvement and no meaningful response from the government.

Mr. Nixon: I am further up the road than you, buddy.

Mr. Cassidy: Do the Treasurer and the government of Ontario still believe it is necessary for Ontario to have a full employment target of 5.3 per cent and a permanent army of more than 200,000 unemployed? Evidently, the answer is yes, because there has been no re-evaluation in the Treasurer's statement. I guess the answer from the Liberal Party is also yes, because there was no re-evaluation in the Liberal leader's statement, either. Do they still believe it's only workers in the

primary labour force, that is males from 25 to 55, whose job requirements really need to be satisfied?

Mr. Roy: I have had it. He is too much. His own party won't listen to him.

Mr. Nixon: First the NDP, now the Liberals are starting to leave.

Mr. Cassidy: The same answer applies and the same answer seems to apply from the Liberals, because they had nothing to contribute on that particular front, either.

Mr. Conway: Michael, where are the caucus members who are supposed to be following your leadership speech?

Mr. Cassidy: Does the government still believe that women of all ages, as well as young workers and those over 55 are members of the secondary labour force, secondary earners, second-class citizens—people one can afford to leave in dead-end jobs, on the dole or in minimum-wage jobs? Is the Ontario government really moving from quiet discrimination to blatant sexism in its attitude towards working women? Once again, the answer is yes. This issue was raised clearly and repeatedly during the budget debate and on the hustings and there has been no repudiation by the Treasurer or by the government.

Mr. Conway: Did your mother want you to be a concert pianist, too?

Mr. Cassidy: Does the Ontario government still believe the creation of 20,000 summer jobs lasting 12 weeks is an adequate answer to our problems of youth unemployment? There's no question—it does. No other new programs have been offered. When you divide the 250,000 weeks of subsidized employment that may be created by the summer job programs among 140,000 young people who are out of full-time work before the summer vacation brought students on to the job market, you get a magnificent average of two weeks of work for everyone for the remaining 50 weeks of the year, at which time I gather they are on their own.

As for the claim by the Youth Secretariat, Mr. Jones, that more than half of these jobs would go on to become full time—that is at best conjecture. No substantive evidence has been offered for that claim and we know from experience with the Tories there never will be, it never comes, they never have any to offer.

We strongly suspect the government is simply subsidizing jobs that would otherwise have been filled anyway. We will have more to say on that when the bill comes forward on the Ontario youth employment program.

Mr. Conway: Now to national unity.

Mr. Cassidy: Does the Ontario government still believe tax handouts to large corporations are the best ways of getting our economy moving? Obviously it does, because of all the alternatives that were put forward during the election campaign and before—even from PC candidates—there's nary a breath in the Treasurer's statement. For all those words uttered by the Liberal leader about small being beautiful there isn't a word to repudiate that particular set of 300 handouts to big business that is being offered by the Treasurer and will be supported by the Liberal party when we come down to it in the Legislature.

We live in hope. There is still time for the Treasurer to take effective action in the fall, even though action last spring and before would have had far more effect. On behalf of the NDP, I urge the Treasurer and the government to review very carefully the constructive proposals we have made and others in this House and in this province have made.

I urge the government and the Treasurer not to be locked in by ideology when what is at stake is our economic future. Above all, I urge the government to get away from rhetoric and to get down to some real action. During the campaign the Premier kept on threatening that the NDP would turn Ontario into an industrial wasteland accusing us of having no positive policies to offer in the economic sphere. Mr. Speaker, you know that's rubbish and so do the other members in the Legislature.

Interjections.

Mr. Cassidy: We now have the highest rate of unemployment since the Second World War; we are something close to an industrial wasteland—and that's under the Tories. When close to 200,000 young people are leaving universities and high schools and looking for full-time work this summer and the increase in unemployment over the past year has been 46,000 people—that's catastrophic, and that's happened under the Tories. It reflects terribly on the management of Ontario's economy, when more and more young people are under-employed or unemployed.

When their skills and talents and education and commitment are going to waste, when their legitimate hopes of a productive career are slipping away, how can the Treasurer be satisfied with a budget that will create all of 250 full-time jobs for young workers? How can he be satisfied with a budget that bad mouths women workers and

bad mouths young workers rather than providing constructive opportunities for them?

When there are concrete signs from every manufacturing centre in the province that we were actually losing jobs rather than gaining them, then the whole general strategy that the Treasurer has put forward comes under serious doubt.

Make no mistake, manufacturing employment is down in Niagara over the past few years. In Hamilton there were 55,000 manufacturing jobs in 1966 and there are 1,400 fewer jobs there today. In the Barrie-Midland area manufacturing jobs are down from 4,874 three years ago to around 4,000 jobs today. The other day there were 450 jobs lost in the Peterborough area. The deindustrialization of the province is taking place at a rapid pace under the Tories and there are no effective answers or strategies to stop it.

The centre-piece of the government's strategy has been to curb spending and borrowing and make room for the private sector to grow. The Treasurer keeps arguing that only in manufacturing are there productive jobs that will guarantee the long-term future of our province. At least that's what they do publicly. When you get right down to it, however, the Tories have lost faith in their own capacity to achieve the goal they've proclaimed, and even the Treasurer, even Mr. McKeough, no longer assumes this will happen.

Last year under this minister, the Treasury issued a document entitled A Long-Term Projection of Ontario's Industrial Development Pattern. It showed that in 1961 manufacturing employed 30.7 per cent of Ontario's labour force. By the mid-1970s, this had fallen to 25 per cent. Despite the Treasurer's rhetoric, which is ample, his department predicts that by 1985 only 20 per cent of provincial employment will be in the manufacturing sector, and by 1995 the proportion will be down to 16 per cent.

Mr. Warner: That's true.

Mr. Cassidy: It all adds up to virtually no employment growth over the next two decades in manufacturing. Where will the jobs come from? The Treasury itself is assuming many of these new jobs will be in the government sector.

These trends have also been discerned by the Ontario Economic Council, which estimated there will be almost no increase in the 1.4 million jobs that now exist in resource industries, in manufacturing and in construction over the next 10 years. The Economic Council says all of the one million jobs that are the least that will be needed over the next decade will have to be found either in the service industries or in the government sector. Where then, Darcy McKeough, is your strategy?

Mr. Deputy Speaker: Order, please. I'd like to remind the member for Ottawa Centre that it's the tradition of this House not to call members by names but by riding or position. I noted on a number of occasions he's been using surname and given name and I wish he'd refrain from that.

Mr. Cassidy: Thank you, Mr. Speaker.

Mr. Nixon: Landmark ruling.

Mr. Cassidy: The point is well taken, Mr. Speaker. I merely have to say that I assume a certain familiarity in the hopes of somehow finding some soft spot in the carapace of the Treasurer—

Interjections.

Mr. Cassidy: —some way in which I can get through to him to make him understand what the problem of unemployment is in the province, how many people out there, adult workers, young workers, women workers, workers of all ages and stations are suffering from his misguided economic policies—

Mr. Conway: Defeated NDP members.

Mr. Cassidy: —and if it takes calling him by his first name or his last name or his nickname or anything else, Mr. Speaker, I'll do it if it's going to have some kind of an effect.

Mr. Kerrio: Show a little class.

Mr. Conway: Throw him out for contempt.

Mr. Cassidy: It's worth noting in passing that the figure of 100,00 jobs a year which the government plucked from a hat for the charter for Ontario—

Mr. Conway: Stephen will need a second stall.

Mr. Cassidy: —is by itself a cruel deception. Without going into all of the details, the government's own target for job creation would mean the unemployment rate will exceed seven per cent for the next 10 years. We say that isn't good enough for Ontario. We believe equally that it's not good enough for Ontario simply to sit back and to accept a further weakening of an industrial sector that is both incomplete and vulnerable. We believe that to sit idly by while the work force in manufacturing actually declines would be to irreparably damage our future as a prosperous industrial province. We believe the sole strategy being proposed in the budget of tax concessions to manufacturing

investment is a badly designed and wasteful handout that is so ineffective that a Conservative government has yet to show that it creates one single new job.

We're not talking about peanuts either, because the total of the Conservative government's tax concessions to industry amounts to $160 million annually just for the machinery sales tax exemption, along with $84 million in the continuation of the fast write-off on machinery and plant investment, plus another $25 million or so in income tax concessions which are directed to large investors. We say this money can be far better spent. We said that during the budget, we said it during the election campaign, and we say it again now.

Let me start with those tax concessions. We discussed them at length in the budget debate and I don't intend to talk about them at length right now. If I can sum up our position, however, in one quote from the C. D. Howe Research Institute, and they're certainly no raving socialists, they said: "In a stagnant economy or one fraught with uncertainties"--and that sure describes what we have right now--"any positive impact from further tax concessions is likely to be quite limited."

[4:30]

With manufacturing running at only 80 per cent of capacity, sales are not strong enough to spur investment and the tax concessions offered by the Treasurer are nothing but corporate welfare.

One other argument has been offered in order to justify introducing machinery tax concessions. That is, if Ontario doesn't move at once, we will lose manufacturing investment to competitive neighbouring states that do offer this incentive to industry. Is the situation really that serious? The Treasurer is being misleading. I don't think the facts bear his argument out at all. Our neighbours have been offering sales tax exemptions to industry on machinery long before they were considered here and the competitive impact in Ontario was never a problem in the past. In fact, it never became a problem until the elections were nigh and the Treasurer decided something had to be done.

Mr. Conway: Here comes the other half of the leadership team.

Mr. Cassidy: Specifically, New York has given this concession since 1965, Michigan since 1933, Pennsylvania since 1961 and Ohio for the past 10 years. Minnesota and Illinois, which are in direct competition with those particular states, don't find it necessary to give a comparable concession and neither has Ontario in the past. What is really at stake in our competitiveness with neighbouring American jurisdictions is not one tax concession but a whole mix of strategies that affect where industry decides to locate and to expand. That's what we've been trying to talk about over the past few months, and in the election campaign, and that's what neither Darcy McKeough or his government has been able to understand.

Mr. Conway: Let's give Deans equal time.

Mr. Cassidy: I want to reiterate some of the ideas that I put forward in the budget debate two months ago about the need for industrial strategy for Ontario. We in the NDP are putting more and more emphasis on the need for Ontario to develop its own domestic market, which now consumes some $20 billion worth of imports every year. It's the market where Ontario industry has got the greatest natural advantage but, sometimes, it seems the biggest handicap Ontario industry is suffering is the failure of vision and direction on the part of the government at Queen's Park.

In the budget debate I talked about the desperate desire of businessmen in many industrial sectors to have closer co-operation from this government and the recognition of their desire to expand in order to meet domestic as well as foreign needs.

Mr. Kerrio: How do you get to talk to a businessman?

Mr. Cassidy: We recommended a "Buy Canadian" policy and the use of joint ventures in certain circumstances in order to provide a large domestic market that would encourage more efficient production and encourage the economics of scale in Ontario industry.

Just recently, the consulting engineers of Ontario were making very much these points in a brief to the Ontario cabinet. Ontario's own purchasing power is important and should be used, but we have naively played the role of international boy scouts without realizing that, like it or not, most other jurisdictions use the influence and buying power they possess to encourage local industry.

If we can create a strong domestic market, we help our industries grow to the point where they can compete abroad as well as at home. The evidence in sector after sector is that import penetration has badly shaken the confidence of Ontario industry and has hurt us both at home and abroad. There are important structural problems that prevent Ontario industry from serving our own domestic market and we need direct action by government in order to remove these blockages if we want to build new and per-

manent manufacturing jobs in Ontario. That, as I say, is the bottom line.

Ontario needs a direct approach to productivity innovation that would help Ontario firms get in on the ground floor in the sourcing of new technology. The Ontario government should start using its capacity to lobby business and other governments to ensure Ontario gets an equitable proportion of new productive activity in relation to the size of our market. We're being taken to the cleaners right now, particularly in the automobile trade, because of our failure to fight, at the political level as well as at the industrial level, for new jobs.

Direct efforts can and must be made in order to ensure Ontario industries have the chance to provide components that are now imported from the United States or abroad. We must ensure that development work is shared with Ontario, too, rather than being concentrated in the parent companies in another country, and that our own manufacturers can plug into the chain of production in order to reach the market that exists. We must be aware of the danger of being reduced to doing nothing but assembling end products and marketing them from components, technology and research that is imported from elsewhere.

Co-operation with government and industry, the training of skilled workers, better management and more inplant training are all required if we are going to improve our productivity. We've got to learn to utilize our capital a hell of a lot more productively than we do right now.

Mr. Conway: Let's give Deans equal time.

Mr. Cassidy: Our apprenticeship programs need expanding to the point where they are open to every young person entering the work world. We also need to train competent, well-established working people for high-skill occupations that are too often filled by immigration, rather than by developing our own talent.

The government's proposals this year for small business are quite ludicrous and the venture investment corporations in particular are almost entirely inappropriate because they rely so heavily on big business financing, rather than giving smaller entrepreneurs the chance to pull themselves up by their own bootstraps.

Mr. Conway: Is the NDP going to solicit funds from those corporations? Not a bad idea.

Mr. Cassidy: Mr. Speaker, all of these points bear directly on the automobile industry, the key industry in Ontario and its largest single employer. The Treasurer quite proudly told us yesterday that automobile assembly is up by 20 per cent, as are the exports of auto parts. What he did not tell us is that our auto parts deficit continues to be catastrophic.

Ontario's production of automobile parts has declined from 90 per cent of our consumption in 1972 to somewhere around 50 cent today. The federal report that was published this week confirms just how much Canada is getting the short end of the stick under the auto pact. The effects, I remind the House, are felt almost wholly here in Ontario.

It isn't just that we have a deficit in our automobile trade with the US. It is that that deficit is particularly strong in the automobile parts sector. The changing structure of the American industry, according to the federal report, is likely to make the imbalance in the Canadian industry even worse in the future. Employment in the industry in Canada is not keeping pace with the growth in the number of production of units as it is in the United States. Although the automobile companies find it profitable to operate in Canada, they are being run in a semi-colonial fashion.

I find it very hard to accept that 75 per cent of the production workers in the industry in Canada are unskilled and only two per cent are skilled, whereas the proportion in the US is less than half of the workers unskilled and eight per cent wholely skilled.

The report to the federal government estimates that Canadian companies have contributed at least $230 million annually to the research and development accounts of their parent corporations over the past six years. And those are high-level, productive, innovative jobs that should be here in Ontario rather than exported to Pennsylvania, to Michigan and to other parts of the United States.

Mr. Conway: Should we nationalize?

Mr. Cassidy: The reports indicate that in the early 1970s the Canadian companies—

Mr. Conway: What do you think? Should we nationalize it or not?

Mr. Cassidy: In the early 1970s the Canadian companies spent $1 billion less on tools and capital equipment than they accrued in depreciation and in amortization.

Mr. Conway: Better you tell me than Fraser Kelly.

Mr. Cassidy: In other words, not all of the fiscal incentives in the world of Darcy McKeough proved to be enough to offset the automobile companies' determination to exploit Canada.

Mr. Nixon: You will have to edit this before it goes out.

Mr. Cassidy: This happened, I might remind the House, under the aegis of a Liberal government up in Ottawa and I have yet to hear a single word from the Liberal Party in Ontario showing any concern or understanding about the serious situation with the automobile industry and the failure of the government to respond.

Interjections.

Mr. Conway: Speaking of leadership conventions.

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: Once they start to respond on that issue, Mr. Speaker, then they can be justified to intervene in this House when I am speaking.

Unless the Ontario government begins to use every means possible to lead, to direct both industry and government and our American neighbours, this chronic weakness of this keystone industry is doomed to continue. We are talking a lot of jobs. We are talking 30,000 to 40,000 jobs in the automobile parts industry which are now being lost because of the failure of Ontario to get its fair share of production in that particular industry. If those jobs existed, another 30,000 or 40,000 jobs would be created through the multiplier effect, but under the Tories we are losing jobs in this area rather than gaining them.

Mr. Conway: Your father ran in the Liberal race.

Mr. Cassidy: These are some of the elements which we anticipate in an industrial strategy for Ontario. Over the coming months we will be elaborating our thinking in these areas. I trust the House senses that we, unlike the Liberals, are serious in this particular direction and how that contrasts as well with the essentially superficial approach the Treasurer has taken.

I trust the House also understands how tenaciously we in the NDP have stuck to our guns on this issue of industrial strategy and on our whole economic program through the spring and through the summer.

Mr. Conway: What about nationalization?

Mr. Cassidy: We will continue to do so over the coming months and particularly in this minority situation we look for a genuine response from the government.

There is a contrast, and it lies with the policies being advocated by the Liberal Party. I don't think I have ever seen the Liberals as irresponsible in their use of figures or economic programs as over the past few months. When the finance critic two months ago said we advocate tax cuts and new programs, I simply stopped when his total came to over the $1 billion mark. It interests me that not a single word of what he said during his budget debate had the remotest amount of influence on his leader during the Liberal election campaign. What came out instead were three of the silliest proposals that have ever been advanced in Ontario.

Mr. Conway: Where do you stand with your leader on nationalization?

Mr. Cassidy: The member for Renfrew North is provoked. Dear me! What was the vision of the member for Renfrew North and his colleagues going up and down every street and byway in the province, along with the insulation inspectors, who would be haunting the streets of the province to make sure that homeowners had installed their compulsory home insulation by the deadline? The Liberals wanted to spend $3 billion or $4 billion on this particular program—

Mr. Conway: Should we nationalize the forest industry?

Mr. Cassidy: —and absolutely everybody was going to come under the Liberal gun to make sure they did it on time. That was quite some step for the party, which has so long trumpeted the cause of individualism.

The second simplistic scheme of the Leader of the Opposition was that for a mere $200 million from the public purse the Liberal Party would create 100,000 jobs in the small business sector. The money, like the jobs, will come out of thin air. Unlike the NDP, the Liberals have never said what spending or payments they would cut in order to pay for their programs.

Mr. Kerrio: That's the kindest thing you have said.

Mr. Cassidy: When you think how lovingly every nickel that was added to the minimum wage by the NDP was dissected by the press across the province, it makes me smile rather wryly to think that not once did the journalists who accompanied the leader of the Liberal Party force him to come up with specifics on this program.

Mr. Conway: Now he's against journalists.

Mr. Cassidy: Would there be 100,000 more new jobs in 1978? Would the wage subsidies end after one year, after two years or after three years? If it was really three years, as he said, then where did he intend to get $600 million when the only spending cut the Liberals have ever been able to suggest is $5 million from Minaki Lodge and a couple of hundred thousand dollars from the superministries.

Mr. Conway: I hear Iain Angus is the new caretaker.

Mr. Cassidy: Moreover, just who were all those small businessmen standing in line to benefit from the wage subsidy? Isn't their problem really that there's nobody to buy their products? Isn't it demand that we're lacking in Ontario? Frankly, I think Liberal economics suffer from a complete misunderstanding of the economic situation of the province right now.

The third piece of silliness was the pledge of the Liberal leader not to increase any tax or charge by the Ontario government by more than eight per cent and to extend this principle to the municipal level as well. This proposal is as fatuous as it is hypocritical.

Mr. Conway: Let's nationalize the member for Ottawa Centre.

Mr. Cassidy: If the Liberals intend to be responsible about it, then starting this week when we consider the tobacco tax, they will say precisely what other tax they will raise to offset every penny of revenue they have lost by adhering to the eight per cent limit.

Mr. Nixon: I presume you are supporting the Tories.

Mr. Conway: Where do we send the contributions to your campaign?

Mr. Cassidy: Moreover, when we come to debate the increase in unconditional grants to municipalities, they will say exactly what programs municipalities should cut in their own spending, and through school boards, in order to keep their tax increases below the eight per cent limit. We accepted when we were the official opposition, and we accept now, the discipline of ensuring that every political promise is matched by a promise to pay and a clear indication of where the money would come from.

Mr. Conway: How much will nationalization cost?

Mr. Cassidy: The Liberal Party should start accepting that discipline, as well, instead of indulging in all this hyperbolic nonsense—

Mr. Conway: How about $4 an hour?

Mr. Cassidy: —in particular, the nonsense coming from the member for Renfrew North.

Mr. Conway: How about nationalizing the forest industry? What's that going to cost?

Mr. Cassidy: As a matter of fact, if the Liberal critic had been listening, the NDP proposed very specifically that private industry should be doing its share in order to ensure that they stop raping our forests and that they replant the trees that they are cutting because, right now, under the public direction being given by the Tory government of Ontario, we are exploiting our forests in a way that we will never be able to replace.

Mr. Conway: The rape of the log.

Mr. Cassidy: I would like to stop here for a minute.

Mr. Conway: Deans or Pitman on the first ballot.

Mr. Cassidy: I appreciate the applause, particularly from the member for St. Andrew-St. Patrick (Mr. Grossman) and the new members in the back row. One of the problems with the PC Party, it seems to me, is it can't get decent candidates any more. I've never seen such a rotten bunch of candidates as the group that came forward this particular election.

Mr. Pope: What happened in northern Ontario?

Mr. Cassidy: Well, particularly in northern Ontario. The new member for Cochrane South obviously shares the same predilections as the old member for Timiskaming who has returned. Ontario will gain nothing from his presence in the Legislature.

Interjections.

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: Shut that member up.

Mr. Deputy Speaker: Order, please. Will the member for Ottawa Centre continue?

[4:45]

Mr. Nixon: He said he was going to finish.

Mr. Cassidy: What I wanted to say, Mr. Speaker, in a very serious kind of vein, is this—that if any of us are concerned, and I certainly am and I believe we all should be, about the future of Ontario, here we have a legislative body that is responsible for a $12-billion budget, that is responsible for programs and spending that affect every man, woman and child across the province, that is responsible in a very direct way for the continuation of whether or not we have a country left in Canada, and what kind of candidates did the Conservative Party come up with in this particular campaign? Frankly, they're a bunch of second-raters. They really are, Mr. Speaker.

Mr. Kerrio: Cheap shot, Mike.

Mr. Nixon: I think that's completely unworthy.

Mr. Cassidy: And I think that's very serious. I think it's very serious that the Conservative government which has been in power for 34 years has been completely

unable to attract men and women of stature in order to replace those who are being defeated or who are stepping aside.

Mr. Pope: Just the majority vote.

Interjections.

Mr. Cassidy: If we have a temporary situation of one-party government of the province, I think it's a matter of grave concern that there is nobody in the backbenches right now who can replace the present Treasurer, God save us.

An hon. member: How can you be speaking about the budget in that new suit and vest there, Mike?

Mr. Peterson: That's right, but anyone's better than you are.

Mr. Cassidy: As the Attorney General reveals how little capacity he has, as the Minister of Labour reveals—

Interjections.

Mr. Deputy Speaker: Order, please. I hope the members will come to order and allow the member for Ottawa Centre to continue on the second order of business.

Mr. Conway: In conclusion . . .

Mr. Cassidy: As the Minister of Labour reveals just how unfit she is to work in this particular political sphere, as the other members of the cabinet—including the Minister of Industry and Tourism (Mr. Bennett) who is almost down in Florida he's so far south in this particular chamber, in his new place in the seating plan—all reveal how little they have to offer, I really weep for Ontario for the next two or three years.

We are committed to trying to make this minority situation work, but God help us. It's going to be difficult with the gang that we have returned and with the newcomers who have been elected to the back row.

Mr. Peterson: This is the worst speech I have ever heard in my life.

Mr. Cassidy: Mr. Speaker, I would like to say a word now, perhaps in a slightly more constructive vein than that, about the other major issue in this particular campaign—

Mr. Conway: Donald, this is the valley of humiliation. The NDP's Beauharnois.

Mr. Cassidy: —the question of national unity. I want to say this with particular reference—

Mr. Eaton: Is this your run at the leadership, Mike?

Mr. Conway: Why don't you stick to Brian Cameron?

Mr. Cassidy: —to the Legislature. I think the Conservatives—I'm just coming to that—have got to sleep with their conscience for the shameless way in which they have exploited the Ontario public's concern over the future of Canada after declaring that national unity was a non-partisan issue. In my riding, the Conservative candidate did everything except wrap himself up in a maple leaf flag in his efforts to stampede the electorate into voting PC in order to fight separatism.

Mr. Cunningham: What's that got to do with the budget?

Mr. Cassidy: "Help keep the Montreal Expos in Canada," he said, proving how quickly you can descend from the sublime to the absurd.

What shocked me even more was that a candidate who had the full support of the Premier should openly and deliberately, from the very first moments of the election, carry on such a low campaign based on the fear of separatism. What he did was matched in degree and kind by many PC candidates across the province and it was all very distasteful.

Mr. Conway: Why, did he cut your majority?

Mr. Pope: You taught us how to exploit.

Mr. Cassidy: I don't want to further debate the campaign, nor do I want to further debate the future of our country this afternoon. My commitment and my party's commitment to maintain a strong and united Canada is known, is understood and appreciated by every man and woman of good will in the province.

Mr. Kerrio: You have tears in your eyes.

Mr. Cassidy: Whatever the results may be in electoral terms, I think one of the proudest achievements the NDP can take credit for over the past few years is the fight we have waged on behalf of Franco-Ontarian rights in this particular province.

Mr. Deans: Without any Liberal support.

Mr. Cassidy: Without any Liberal support, as well, apart from Albert Roy. I do have a concern and a modest suggestion. The concern is very simply that while the future of Canada is being debated at every service club luncheon and every conference table in Canada, we here in this Legislature, and perhaps our colleagues in other legislatures across the country, are extraordinarily detached from this national debate. The question of Canada's future has been raised in the Legislature since the November 15 election in Quebec—granted.

Mr. Conway: Renwick had a few things to say.

Mr. Cassidy: But we did not even find one half day or one whole day to set aside in

order to debate the subject of where are we as a country going.

Mr. Peterson: They were afraid you would speak.

Mr. Cassidy: Apart from the Premier and the two leaders of the opposition, not one of us is participating in the Destiny Canada Conference that is currently under way at York University. Whether it will prove fruitful and constructive or not, I don't know. I suspect not. I hope so.

Mr. Conway: Is Brian Cameron there?

Mr. Cassidy: God help us if he is. Party leaders have spoken out—

Interjections.

An hon. member: Why don't you shut up?

Interjections.

Mr. Cassidy: Mr. Speaker, this happens to be a fairly serious speech I'm going to make.

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: Party leaders have spoken out on their vision of where Canada should be going and so have many of us on the hustings, but what we lack here in the Legislature is a focus. The immediate problems that must be solved—whether it's road transport or rent control, the Essex county school and other budget bills or yet another Workmen's Compensation case—take up the time of MPPs and our attention is too seldom lifted to what is happening in the country. For that matter, whatever research and thinking may be going on among the government's advisers in the civil service, the Legislature is effectively not privy to it. Our sources of information are limited to what we read and see in the press and to material on the future of Confederation which, I fear, seems increasingly to be acquiring the bias of the government that publishes it. That's one reason I believe the Treasurer's proposal for an impartial and co-operative accounting of the costs and benefits of Confederation should be supported.

I now want to propose the creation of a select committee of the Legislature that will allow us, here in this House, to focus on the questions of Confederation and of national unity. The problem is critical. The need to start is now. I believe this select committee on Confederation should be established before we rise in two weeks or so and should begin its work over the summer.

It should be able to travel to Quebec and to other provinces as well as throughout Ontario. It should be able to talk to civil servants who advise the government and have access to material they are preparing. It should hold hearings, carry out research, seek ideas, meet with MPPs from other provinces and report regulary to the House. In fact, not only should it report regularly beginning in the fall, but I suspect we should debate its reports just as regularly so that those members who do not form a part of the select committee can also make a contribution to its work and a contribution to the future of the country.

This is a modest suggestion, but perhaps it has a democratic flavour when you compare it with the elitist idea of elitist counsel advanced by the Leader of the Opposition. Perhaps it will be of value too in helping to form and educate legislative opinion, and through this Legislature perhaps we in turn can help to educate opinion in this province about who we are, where we're going and what we should do in the country. This is a chance for the Legislature to become a sounding board for opinion and ideas the way it was intended to be and the way, I fear, that it so seldom is.

More than a century ago, the Fathers of Confederation who brought this country together were themselves provincial legislators who came from their provincial parliaments and met together in order to forge a nation and find the terms under which the country could function together. Things are more complicated than that right now but it seems to me that we, as MPPs in this Legislature, have a contribution to make, as do our colleagues and counterparts in other legislatures across the country. We should do that and encourage it on the part of other legislatures.

The constitution authorities use the quaint term, "One function of the Legislature is to ventilate ideas." Perhaps all of us who are concerned about the future of the country would welcome a bit of that kind of fresh air right now.

My modest suggestion is that we in Ontario need to find ways to get to know our neighbours in Quebec better than we do today. In many ways the best way to start is with our kids. The budget shows the Wintario lottery will have at least $80 million to spend this year. I would like to suggest that we use $10 million or $15 million of that particular fund in order to encourage school visits and educational exchanges between students in Ontario and their counterparts in Quebec.

It's just as important to invite Quebec students to visit families in Ontario cities and towns as to send our kids off to spend a few days with their counterparts in Quebec. For $15 million we could provide a

strong incentive to encourage exchange visits on the part of 100,000 students from grades seven to 11 in our Ontario schools with return visits, in every case, from Quebec.

I hope this initiative will be accepted in the spirit in which it is suggested and offered. I hope Quebec will understand that even if it comes very late, even if this is something we should have been doing many years ago, that it is offered genuinely and that it is accepted in that particular spirit.

I believe other exchanges should be offered and should be encouraged as well. Cultural groups have been suggested by the member for Port Arthur; I would suggest groups like skilled workmen from the GM line in Oshawa. Simpson's has recently announced it is going to send some teenagers who are sons and daughters of its employees for an exchange visit with families in Quebec. We should be doing this at the professional level, at the personal level, at the community level, at the legislative level—in every possible way that we can find.

I think it is a very good way to begin if we could say that over their school lifetime most of the kids in Ontario schools would have the chance at least to go to Quebec for one week or so on a well organized, well supervised exchange, with teachers and with preparation, to meet families, to meet kids, to play together, to work together and to get to know people in our sister province a hell of a lot better than we do right now today.

I would speak personally, coming from a border riding in Ottawa, and say that we have too little of those kinds of contacts just between the kids, for example, and the families and the people who live in Ottawa and their counterparts who live across the river in Hull. We don't do it; we need it, we should encourage it. We shouldn't care if we are isolated in Ottawa; what is the situation for people who live in Chicoutimi on the one hand and Windsor or St. Catharines on the other? Those are two specific proposals related to national unity which I hope will be adopted by the House.

I want to reiterate now the question about our economy and about where we are going with jobs. I want to say that during the budget debate I had a number of specific proposals to make on behalf of the New Democratic Party which were costed, which we knew we could afford, and which we offered in a constructive way to the Treasurer. The specifics included a youth careers program, energy-saving grants and tax cuts to stimulate demand and get the economy moving.

As is natural, those proposals were elaborated upon by other members of the caucus, by myself and by the leader of the NDP during the course of the election campaign. There are a number of points that I want to put on the record right now, because we think they are a heck of a lot more constructive means of getting the economy moving and beginning to prepare ourselves, not just for the short-term problem of unemployment but the longer-term problems of industrial strategy which the Treasurer and the government are refusing to face at this time.

There is approximately $280 million which could legitimately be brought out of tax concessions to big business and industry and used to get the economy moving. I think that we have adequately documented just how ineffective those particular incentives have been and will be in creating jobs in the economy both for the short run and for the long run.

We believe that it is desirable and necessary to have—we advocate this, and I hope the Treasurer accepts—a program along the following lines:

First, a direct tax rebate for low- and middle-income groups for the purpose of stimulating purchasing power to increase demand and thus create jobs. We recommend that at least $100 million be devoted to that pump-priming operation to help get the economy of Ontario moving.

Second, a new careers program in Ontario, the point of which will be to direct young people coming out of high schools, colleges and universities into on-the-job training programs so that they can acquire the skills required in the marketplace. A new careers program like that might cost $30 million.

It is not enough to assume, as the government does, that if you give people a certain amount of work experience they will automatically find jobs. There are only 12,000 job vacancies in the province; there are more than 300,000 people unemployed. We have to get the economy moving, but it will certainly help to give people job experience as part of the overall package.

Third, a program which is well accepted and which can be moved quickly and one which people will use to improve the state of their housing; it is one which can be administered on a decentralized basis and which will help in the small business sector. We would recommend $25 million be added to the Ontario Home Renewal Program, in which 94 per cent of Ontario's municipalities are currently involved. This is a means of directly stimulating jobs in the construction sector.

[5:00]

Fourth, we advocate that $25 million be used directly for services to people. Day care, corrections, mental health, retardation and the elderly are specific programs which can engage the talents, the commitments, the skills, the drive and the capacity to communicate of our young people who are now so frustrated because of the under-employment and lack of jobs that exist in the economy.

Next, 10,000 units of non-profit housing could be started with the incentive of a $5,000 per unit grant. It would cost $50 million to the exchequer, it would create jobs far beyond that particular amount and it would provide desperately needed affordable housing which we're not getting in the province right now.

We recommend the allocation of $25 million for special services like sewerage and lighting for northern municipalities, particularly the unorganized municipalities, in order to create jobs in the north, to make those northern communities more attractive places to be and in order to serve as the launching pad for the creation of a broader range of job opportunities in the north. We recommend as a final instalment in that $280 million which is available from the tax concessions that the minister is now giving to big business, $25 million to take capital works programs off the shelf, specifically where they have application to public transit systems. One of the earliest candidates for acceleration under that particular program would be to create construction jobs in the Toronto area with an acceleration of the Scarborough light rail transit program.

In addition, Mr. Speaker, we were concerned at the fact that the Treasurer found it possible to allocate $200 million to very expensive and capital-intensive energy projects under the wing of Ontario Hydro. We felt that was a distortion of priorities, because conservation of energy is now a more effective means of using our scarce dollars in the energy field than the creation of new generating capacity. We recommend that the $200 million that the Treasurer found from Ontario Hydro's budget be devoted in three or four specific directions.

First, if you recall, Mr. Speaker, I have recommended energy-saving grants. A number of other suggestions have been made. We suggested during the election campaign that $100 million be used for home insulation to involve 100,000 homes with an appropriate subsidy. The money would be in a revolving fund, repayable on an interest-free basis, so that it would continue to ensure insulation of homes on an annual basis. We believe that this fund should be carried out in conjunction with the recently announced federal program of $350 grants for home insulation, but we believe that Ontario can afford and should go faster than was proposed in the federal program and we think that that too would be a means of creating jobs and stimulating the small business sector.

I suggested and I think that we would advocate that there be particular preference given to eastern and northern Ontario in this program, because those are the areas with the greatest climatic problems and the areas of greatest need for job creation.

Next, a pilot plant for the production of methanol. We recommend that it go into the area of Renfrew North, an area which desperately needs job creation. After the comments of the new member for Renfrew North I think I would reconsider that particular suggestion. However, a $20 million investment in starting a pilot program for methanol based on waste wood production from the logging industry either in the northern or eastern part of the province helps us in the energy field, helps us in the utilization of our unutilized wood resources and would allow us to learn a heck of a lot about a new energy source which could increasingly be used in the province.

Mr. Peterson: Anything that helps you learn something is worthwhile.

Mr. Cassidy: We recommend that $30 million should be used for the installation of solar heating units in the form of a $1,500 subsidy for 20,000 new houses every year that would be outfitted with solar heating equipment. That too is a major kind of program, not the Mickey Mouse stuff that the Treasurer has been offering. That's a quarter or a fifth of the new homes being built in the province, which should be equipped with solar heating equipment. Once that market existed in Ontario we believe that very quickly industry would respond and the cost of solar heating equipment would very quickly come down. We recommend $50 million for the generation of electricity from solid waste disposal projects in southern Ontario. Once again, whether it's in Hamilton or in Toronto, the bold plans announced by the government have not been taking off and have not been going forward.

We recommended during the course of the election campaign a number of other specific initiatives which I will run over very quickly. We think that Ontario could use every means at its disposal to urge and to ensure a renegotiation of the automobile pact in order to return to the province of Ontario the jobs that we have unnecessarily lost because of the

way that we have been shortchanged in that agreement with the United States.

We believe that it's necessary to provide support for special trade skills for rationalization and for research and development in two other vulnerable sectors and important keystone sectors of the manufacturing sector—that is the machinery industry and the electronics industry—and we will have more to say about that during the course of the budget debate in the fall.

We believe that it is necessary—we may or may not see action from the government in this session—to ensure that the scandalous plundering of our forest resources does not continue; that the private forest industry is obligated to replace the trees that it cuts, that we catch up the shortfall of reforestation over the past 20 years; that we do this with a view to ensuring as well the protection of existing jobs in the pulp and paper industry, and that we do so with an understanding that almost two-thirds of the jobs in the pulp and paper and forest industries are, in fact, southern jobs which are threatened by the wasting away of this vital natural resource to Ontario.

We have made specific proposals to reconstitute Ontario's furniture industry based on guaranteed forest resources. Right now we don't do so. We don't harvest our hardwoods in the south. We don't adequately manage our softwoods in the north. That needs to be done and the furniture industry is one sector that can benefit.

We need a much greater degree of processing and refining of ore in Ontario and in Canada. This can be done by eliminating the special exemptions and concessions that the government has so consistently given to companies like Inco and Falconbridge. Those concessions should stop and in the case of the small mines that have been granted exemptions, Ontario should step in on a joint venture basis in order to ensure beneficiation and refining of those minerals in Ontario, rather than exportation of the jobs abroad.

During the election campaign we called for, and I call for now, the creation of a Northern Ontario Tomorrow fund to ensure the future of jobs in the north; an Eastern Ontario Tomorrow fund for the economic development of eastern Ontario in a way which we have never seen, Mr. Speaker, under the present inadequate arrangements which the government has in place.

We believe it's desirable to have a "buy Canadian" policy in Ontario to stimulate domestic employment. This should extend both to governments, to the quasi-government sector, and it should also include encouragement of people in Ontario to understand what their purchasing does when they buy Canadian rather than buy foreign products.

We believe that it is necessary, desirable and possible to free up to 10,000 construction jobs that are presently hanging fire because of delays before the Ontario Municipal Board and other planning bodies. We believe that the government should act with a sense of urgency in order to ensure that those permissions are given and that those jobs are created and that those construction workers now unemployed are given the chance to get back to work with productive employment.

Finally, we made, during the course of the spring, specific proposals for the creation of up to 4,000 jobs in pollution abatement equipment manufacturing and in installation, which can be done simply by enforcing the control order directives which are currently applied to the pulp and paper mills of Ontario. If the government was not asleep at the switch in enforcing these particular rules in order to protect our environment, we would have jobs and pollution control which would help to get more people back to work in the province.

During the course of the budget debate, during the course of the election campaign and now, we don't intend to try and put numbers on all of the job-creating proposals that we are putting forward. What we're saying instead is that it is possible, necessary and essential to move forward now with an industrial strategy that secures our future and ensures that jobs are being created in the province where, under the Conservatives, they're ensuring that those jobs are being lost.

We don't believe that the blind reliance on the private sector that the government has adopted is going to work. We live in hope that somehow action will be taken by the government and we will be watching their actions over the course of the fall.

Perhaps it is clear from my remarks, Mr. Speaker, just how little confidence I do have in the Treasurer, in his budget, in his budget reappraisal of yesterday, in his economic policies, and in the general path which is being trod by the government. We tried last April to be constructive in our approach, however, and we intend to continue that approach over the coming months. I sincerely hope that a number of the proposals we have made will be adopted by fall by this Treasurer when on sober reflection as he sits in his cottage in the

month of August the government realizes—maybe he won't have the chance, I am not sure—how inadequate its policies are for Ontario's economic future.

The NDP House leader is pointing out to me that there is very little chance that the Treasurer will have a chance to sit by his cottage during the month of August, unless we decide not to sit on the weekends during that particular month.

We are not putting forward a motion of no confidence today, Mr. Speaker, because our opinions on the government are well known. Our options are open until December. Also, only 2½ weeks after the election we understand as clearly as the government or the Liberals that however unfair the public were as to who they wished to govern Ontario they did not want the past election, and they do not want another one very soon. We said very clearly, and I say very clearly, that where we disagree with the government on legislation, we will oppose them. We intend to work in that spirit, but so long as our unemployment rolls swell and the province's economy stagnates, we will do everything in our power to press for an economic policy that deals with the real problems that face Ontario.

On motion by Mr. Maeck the debate was adjourned.

INCOME TAX ACT

Hon. Mr. McKeough moved second reading of Bill 5, An Act to amend The Income Tax Act.

Mr. Acting Speaker: Is there any discussion?

Mr. Cassidy: The Liberals were asleep at the switch again.

Mr. Swart: They have nothing to say.

Hon. Mr. Kerr: What is it, the rule on perpetuities or the warble fly Act?

Ms. Bryden: Mr. Speaker, I had expected the official opposition to be up first, but at any rate I am prepared to discuss this bill.

Mr. McClellan: The opposition is up first, Marion.

Ms. Bryden: Mr. Speaker, this bill implements new federal-provincial fiscal arrangements which became effective April 1, 1977. It also establishes Ontario's income tax rate for next year.

There appears to be a very significant change in the provincial income tax rate in this bill. It rises from 30.5 per cent of the federal tax in 1977 to a proposed 44 per cent of the federal tax for 1978. However, this change really reflects a very substantial change in the federal-provincial fiscal and cost-sharing arrangements, which as I said became effective at the beginning of this fiscal year.

The federal payments for programs such as medicare and hospitalization and post secondary education are being curtailed to some extent. Other federal payments are being partly replaced by the transfer of tax room to the provinces. And so you have to look at the whole package before you can assess the effect of this proposed change in the provincial rate.

The transfer of tax room did have a very fortuitous effect for the federal Liberal government. It enabled them to appear to have made a substantial reduction in their expenditures. But in effect, the expenditures have simply been transferred to the provinces which are expected to raise the amount of money that was represented by those transfers through provincial income taxes. People should not be misled by the amount of back patting that the federal Liberals did regarding their cut in their expenditures in their last budget.

Mr. Peterson: How many of you have noticed that?

[5:15]

Ms. Bryden: The new arrangements do provide more flexibility to the provinces. They have more opportunity to choose their own priorities. They do mean an end to open-ended federal support of certain programs and they may mean that the have-not provinces will not benefit as much in the future as they have in the past. I am also concerned that the new arrangements may limit the opportunities for federal initiatives for necessary extensions of existing programs. If prescription drugs could be provided more efficiently through the public sector than through the private sector, as I think they could, at really less cost to the purchaser, then you need federal initiatives to get such an extension that will be applied across the country.

In fact, I think we must look at all these federal-provincial changes in the light of the necessity in this country of having the principle accepted that all Canadians, regardless of where they live, are entitled to a basic level of services, and the only way we will achieve national unity is if we recognize that principle. For that reason we must continue to support equalization formulas and opportunity for national initiatives in improving services for all Canadians.

Turning to the nitty-gritty of the bill, shall we say, as I mentioned, it is necessary

to adjust the provincial income tax rate to take up the vacated tax room. The objective, presumably, is to provide no additional burden on the taxpayer by the time you add and subtract what he would pay to the federal government and what he would pay to the provincial government. However, the provincial Treasurer has indicated in his budget paper that a provincial tax rate of 43.63 per cent would probably produce the equivalent burden on the taxpayer that the previous arrangements provided.

The requirement of the legislation is that you must adjust whatever rate is thrown up by the calculation to the nearest half per cent. What the provincial Treasurer has done, rather than knocking the 43.63 down to 43.5–

Mr. Peterson: What did Saskatchewan do?

Mr. Cassidy: Where did you come from?

Mr. Deans: Why would we care? This is Ontario.

Ms. Bryden: –he raised it to 44 per cent.

Mr. Acting Speaker: Order, please. The hon. member for Beaches-Woodbine has the floor.

Mr. Martel: The member for London Centre had an opportunity to speak and he passed it up.

Mr. Acting Speaker: Order, please.

Mr. Peterson: Count me out.

Ms. Bryden: So there is slightly more money being taken from all taxpayers in this province than they would have paid if the previous arrangements had been kept in effect.

Mr. Kerrio: We will only give him equal time.

Ms. Bryden: However, when it came to the adjustment in the dividend tax credit, which also had to be adjusted because of the change in the tax base, it was a case of raising the dividend tax credit per $1,000 by $9 rather than dropping it. So this government appears to be carrying on its tradition of favouring the well-to-do, who are the main ones to benefit from dividend tax credit, but putting the extra burden on all the ordinary taxpayers.

Also, if you study the chart which the provincial Treasurer provided in his budget speech, chart 1, page 17 of budget paper B, you will see that the change in the tax burden on various income levels does not go up in a straight progression. There is a slight reduction in tax burden for the people of $10,000 and under due to various changes which we commend. But the interesting thing is that the $15,000 taxpayer will pay more. As a result of these tax changes, he will have a greater increase dollarwise than the $20,000 and $21,000 taxpayer. That anomaly is something that I would like the provincial Treasurer to explain—as to why the rate could not have been arranged so that those people between $15,000 and $21,000 seem to be paying less of an increase than those at the $15,000 level.

The fact that we now have additional tax room offered by the federal government and are taking advantage of it, plus a slight increase that is hidden in that smoothing of the rate, perhaps might indicate that there is room for the provincial Treasurer to reconsider his opposition to a transfer of one or two points of income tax to the municipalities. BC has just recently done this; I don't think they are a socialist government out there, but they have transferred a portion of the income and other taxes to the municipalities. Of course, Manitoba has been doing this for quite a while. But now that we do have more tax room, it is possible that the Treasurer might share some of it with the municipalities.

I would also have liked to have seen in this legislation some attempt to make our tax system more progressive. There was a recent study done of the income tax, both federal and provincial. It was written up in The Canadian Tax Journal for March/April, 1977. It was a study by Gregory Jarvis and Roger S. Smith, called "Real Income and Average Tax Rates: An Extension for the 1970-1975 Period."

What these gentlemen have done is analyse the effect of the tax changes in that period, federally and provincially. They have come to the conclusion, and I quote, on page 215 of that journal: "However, it should be noted that the middle income classes appear to have benefited least in terms of absolute changes in average tax rates from 1970 to 1975."

So they confirm what a lot of us have been suspecting that the middle income groups in this province, as in Canada as a whole, are the heaviest taxed. And this is something that this government is doing nothing to correct.

They are giving relief to the lowest income tax earners, in accordance with the federal relief that came in the last budget, and we commend them for that. Anybody who does not pay federal income tax will no longer pay provincial income tax, if this bill is passed. But the government still has not done very much for the people who are just above the level which is being relieved of income tax.

For example, there was a study done and published in the Globe and Mail, April 23, 1976, comparing how a year ago the various

provinces compared on the amount of tax paid when you added together federal and provincial income tax, health premiums and property tax, assuming an average property tax of $480. It showed that the province with the highest burden on a family of four earning $8,226 a year was Ontario. That family would pay $1,078 in total taxes of the kinds I mentioned.

So you can see that we do not have the most progressive tax system, particularly because we have this very regressive OHIP premium system. Very few other provinces finance their OHIP by straight premiums; they do it out of general revenue, which is a more progressive method.

I would have hoped that the legislation included more tax credits and that overall we would rely on fewer regressive taxes such as the increase on motor vehicle registration fees proposed in the budget which is another regressive tax and which are being increased from 30 to 50 per cent as a result of the budget. Of course, we all know that people don't necessarily buy their cars according to their income. In a lot of cases, people who buy second-hand cars often have to buy the bigger ones, so they're going to be stuck with a 50 per cent increase in registration fees.

There is one other item I would have liked to have seen in the bill. It is not there and I drew the attention of the Treasurer and the Minister of Revenue to this a year ago—

Mr. Peterson: Point of order.

Mr. Acting Speaker: Order, please. The hon. member has a point of order?

Mr. Martel: What's your point of order?

Mr. Peterson: Is it not necessary for a speaker to address remarks to a particular bill and not wander all over the place? There is a particular small bill in front of us and she is discussing everything under the sun. It seems to me there has got to be some kind of direction in her remarks or we will be here for the next six months.

Mr. Acting Speaker: The hon. member will continue. I would hope that she would keep her remarks a little more to the principle of the bill and not on the philosophy of the various political parties. Perhaps she would continue.

Mr. Martel: Marion, you're on.

Ms. Bryden: Thank you, Mr. Speaker. I'm on my last points, I may assure you.

Mr. Acting Speaker: Order, please. The hon. member will continue. The Chair cannot hear her.

Mr. Martel: Give it to them again, Marion. Take your time.

Mr. Makarchuk: More slowly this time.

Mr. Martel: Don't be harassed.

Mr. Drea: That's no way to treat a lady.

Mr. Acting Speaker: Order, please. The hon. member will continue without being interrupted, please.

Ms. Bryden: Well, I think it is appropriate to draw the Treasurer's attention to the very great inequity that does exist in our income tax credit for political contributions.

An hon. member: In a polluted lake.

Ms. Bryden: The political contributions were put in to encourage people of all walks of life to participate in financing political parties instead of having them financed by a few big companies and big developers and so on. But right now the way it is administered, the people of, say, $7,000 and under —housewives, pensioners students who wish to make a contribution to a political party— seldom gain the tax credits, whereas the wealthy man gets 75 per cent on his first $100.

Mr. Drea: How about a new kickback?

Ms. Bryden: It seems to me that if we're going to encourage that, we should do three things. We should make it possible for the political contribution to be calculated before the pensioner credits, the sales tax credits, and the property tax credits are deducted, because deducting those often reduces low-income people's taxable income to zero and they get no political credit.

Mr. Eaton: Are they some of the ones that you forced to kick back?

Mr. Martel: You had better remember the document you signed.

Ms. Bryden: We should permit those people to receive the credit regardless of whether they have taxable income. Certain low income categories should be allowed to receive the political credit, regardless of whether they have provincial taxable income, if we want to make it equitable and encourge people of all walks of life. There won't be very many because a lot of low-income people cannot find $100 to put up, but if they can, they should get their $75 back.

Second, we should make it applicable to spouses if the one person in the family has a taxable income; they should be allowed to claim the political credit against their income even if the spouse made the political contribution. And there are many cases where the one spouse may be a civil servant who

doesn't wish to make a political contribution or somebody who doesn't particularly believe in it. But the spouse does and makes it out of their very low income; but they cannot transfer it.

Under the federal Income Tax Act you can transfer health and charitable expenditures between spouses. I see no reason why the Ontario Treasurer could not allow this transfer to occur between spouses for political contributions. He is being very restrictive in his interpretation of the law in this case.

A third thing that could be done with regard to the political thing is, of course, something we've been advocating for a number of years—to add to The Income Tax Act the right to make a checkoff of $2 to the political party of your choice. Those are the suggestions that I'd like to put before him.

We intend to support the bill, Mr. Speaker, with these reservations—that we would have liked to have seen a much greater reform of our income tax system.

[5:30]

Mr. Peterson: Briefly, I don't regard this as a situation where one makes a complete budget speech and one talks at great length about what is in or not in the bill. We are talking about a very specific piece of legislation here that regularizes certain agreements, federal-provincial agreements, and I don't think it is in the interests of this House or the members to sit here and talk at great length about philosophies or what may or may not happen in Saskatchewan, or wherever, under each bill.

Mr. Martel: Read the rules just once.

Mr. Makarchuk: How do you break it up?

Mr. Peterson: Because if we do, when we discuss these 14 or 15 Treasury bills we are going to be here for the next three days, and I hope I don't have to listen to you like I had to listen to her.

Mr. Cassidy: You brought up Saskatchewan, it wasn't us.

Mr. McClellan: You can sit down right now.

Mr. Acting Speaker: Order, please, the hon. member for London Centre has the floor.

Mr. Cassidy: Were you hoping your leader was going to make it?

Mr. Peterson: We regard this as very much a matter of housekeeping. We have absolutely no trouble whatever in supporting the government on this. We are quite aware that they snuck through a little tiny tax increase with this, but perhaps that makes it less complicated. It is interesting to point out to our friends in the NDP that when their friends in Saskatchewan did it, the same procedure, they snuck in a tax increase.

Mr. Martel: You were going to talk to the principle of the bill. Why don't you speak to the principle of the bill? You are talking out of both sides of your mouth at the same time.

Mr. Peterson: Everything I hear out of you people is how to spend more money. So at least I am glad they didn't put it up any more than the little it is.

Mr. Makarchuk: Why don't you compare their per capita taxes to Ontario?

Mr. Peterson: Mr. Speaker, I have nothing more to add on this bill at this time.

Mr. Martel: What a magnificent contribution.

Mr. Cassidy: I just want to make a couple of comments, Mr. Speaker. One is to comment that effectively by going along with the federal Income Tax Act changes in this particular bill, and we have certainly had the option of doing otherwise, Ontario has decided to grant I think it is a $32 million tax cut which is basically going for big investors, for coupon clippers, who will benefit from various changes made at the federal level and which the Treasurer has decided that he wants to endorse.

Whatever the member for London Centre feels about that on behalf of the Liberal Party we don't feel comfortable with that. At a time when there is a desperate need to get spending power into the economy we don't feel comfortable giving $32 million to people who essentially will put it into savings and not in spending, to people who don't need it in any kind of financial way. I think all of the evidence indicates that for every widow or orphan behind whom a Conservative hides in making arguments about the investment sector, there is about 50 times as much income going to people in the upper three or four per cent of the income bracket. People at the very highest levels are the people who mainly will benefit from these income tax changes—

Hon. Mr. McKeough: How much of it is in pension money?

Mr. Cassidy: —and it is the Treasurer who feels that that is a worthy kind of a policy to carry out at this particular time. The other point I want to make is this, that in going along with the established programs financing Ontario has also taken upon itself both a certain amount of federal money which did not exist before for programs which have been under-developed in this

province. Also it has acquired flexibility in a number of formerly shared-cost programs to carry out these programs with our own priorities, rather than having to constantly jump to whatever the federal government says should be done.

I acknowledge, and in fact agree with some of the frustrations that the government has expressed from time to time about the difficulties of working shared-cost programs. I don't differ from the government on that particular point. However, now that we have that freedom it would be encouraging if we can very quickly see the government use that freedom in order to come up with innovative approaches in the field of social services, in the field of education, and in the field of health care.

I am afraid from the recent experience that, far from having innovative approaches, what we have is a government which sort of takes a tentative step or two and then draws back and says no we can't do it, the establishment in this particular field is too strong for us, we don't want to move, our own civil servants tell us it can't be done and we haven't got the guts or the gumption to do it.

Mr. Acting Speaker: Order, please, perhaps the hon. member might direct his comments to the specific principle of this bill as outlined rather than using it for a general budget debate.

Mr. Cassidy: Mr. Speaker, with great respect, the increase from 30.5 per cent to 44 per cent in the Ontario income tax rate is the major feature in the new agreement with Ottawa and that is what I am touching on at this time. I think this is entirely within order and I really don't feel it is incumbent on you, Mr. Speaker, to try and stop a debate which is completely in order. There were other times, when I admit it is possible we strayed a bit, but this time I don't feel I am straying at all. I just want to point out to you, Mr. Speaker, that this new tax arrangement is discussed at great length in about a 20-page budget paper, budget paper B on the federal-provincial fiscal reforms. It seems to me it is appropriate to comment on one or two of the comments made there during the course of debate on this particular bill.

I point out that one of the arrangements is that starting in 1977-1978 the federal government is to pay $20 cash per capita in respect of such health-related services as nursing homes, intermediate care, lower level residential care for adults, the health aspects of home care and those aspects of home care and those aspects of ambulatory health services not previously covered under the hospital insurance agreements.

The Treasurer has put his finger on specific areas which are grossly underdeveloped in Ontario and where we need to act. The government now has a payment of $160 million coming in to the Treasury in order to encourage that kind of innovative health care. We believe those steps should be taken and that opening should be exploited very quickly and not ignored. I fear the Treasurer and his government with the cutbacks they have imposed over the last two years do not understand at all why that is desirable and will not respond to these new fiscal arrangements in the spirit with which they have been entered into on behalf of the federal government and, I believe, on behalf of the other provinces.

Not only will the people of Ontario suffer as a consequence of that, but I also believe that the taxpayers of Ontario will in the long run suffer. If we continue to have institutional care at the rate and the cost that we've been having under the PC government, we will be spending ourselves into perdition as far as Ontario is concerned. We need those innovative approaches. We need a commitment to change in the delivery of social services and the delivery of health services. I am afraid we haven't had that commitment in the past. I hope we will see it in the future with the adoption of this bill.

Mr. Acting Speaker: Is there any further discussion on second reading of this bill?

Mr. Cassidy: What about the minister?

Mr. Acting Speaker: Does the hon. minister wish to comment?

Hon. Mr. McKeough: Mr. Speaker, I have perhaps two or three points. Tempted as I am to agree with the member for London Centre and say this is a matter of housekeeping, although the bill itself may be, it does reflect something like five or six years of intense work on the part of my staff in Treasury and my predecessors and certain other provinces which ultimately convinced the federal government that what came to be called the established program financing package was a correct way in which to go.

I would take this opportunity to congratulate my staff and all those, and indeed federal officials, who over a series of meetings finally hammered out a proposal which I think by and large was not unfair, although when one looks at the table on page 10 of the budget paper on federal provincial fiscal reform on just what hap-

pened in terms of tax reform, one will see that under the new arrangements, despite the fact we are receiving $20 per capita we are receiving according to that table something like $150 million less than we did under the old arrangements. I simply caution the big spender from Ottawa Centre that the room for innovation is not quite as apparent as he would have us believe.

I would further point out to the member for Ottawa Centre who has concerned himself about the dividend tax credit and the change that was made—and he impugned the fact that the Liberal Party was concerned about the pensioner and the widow who owned shares—that despite that fact that most of the money went to the big people, as he called them, he should take a look at the proportion today held by pension plans of this province on behalf of some very little people, on behalf of organized labour, among others, and people who have been in the work force. I would point out how very much their dependency is on the investments that have been made on their behalf in pension plans and investments in equities—

Mr. Cassidy: That's completely irrelevant.

Hon. Mr. McKeough: —in which dividends are important. I also tell the hon. member there's another little word that's important too; that's profit, and nowhere are profits more important than in the pension plans of the people who his party supposedly thinks at times it represents, organized labour in this province.

Finally, I would make one further comment with respect to two remarks of the member for Beaches-Woodbine. First of all, the political tax credit in no way is meant to be a function or to be used as a function of income distribution. We reject the argument which she has made, that in fact it would be a function of income distribution. That is not the purpose af the credit.

Ms. Bryden: You don't want the poor people to participate.

Hon. Mr. McKeough: Secondly, she has made a point about table 8. I would simply point out, in answer to her question as to why table 8 turns out the way it does, the specific answer is that the federal government in developing its new table went from 28.16 per cent to 28 per cent, whereas the rates immediately below that were rounded up rather than rounded down. Having said all that, I would point out to the hon. member that regarding a gross income of $20,000, as compared with a gross income of $25,000, the tax increase is all of $4.27 for a married taxpayer with two dependants; or, for a single pensioner, it works out to $4.34 over a full year, which is hardly, if I might be so bold as to say so, an earth-shattering amount. But I'm glad that the member noticed it.

Ms. Bryden: May I correct the Treasurer? I was refering to chart 1, not to table 8, where it is talking about taxable income of $20,000 and not gross income. He was answering about table 8. I was just referring to chart 1.

Hon. Mr. McKeough: Chart 1?

Ms. Bryden: On page 16 of budget paper B.

Hon. Mr. McKeough: All right. If the hon. member looks at the amounts in chart 1 she'll see something between $30 and $25 where that big curve is, which works out to about $4 a year. The figures in table 8 are reflected in chart 1. It's not an earth-shattering amount.

Motion agreed to.

Ordered for third reading.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. McKeough moved second reading af Bill 6, An Act to amend The Ontario Unconditional Grants Act, 1975.

Mr. Epp: I want to thank you, Mr. Speaker, for the opportunity of speaking to this bill. I have some general comments about the bill, and I am in support of it; however, the bill indicates that the regional municipalities will be obtaining $15 on a per capita basis and the non-regional municipalities $10. I'm concerned about the difference here.

There have been some views expressed that there are more services in a regional municipality and that's why the regional municipalities require $15. The argument has been given that some municipalities, because they are more urbanized, need more money. In speaking to a number of people, the reason they feel that there is $15 as opposed to $10 for regional municipalities is that this was the dangling carrot in front of municipalities so they would adopt regional government as opposed to remaining as they were to have some amalgamation of smaller municipalities. It's probably not any single one, but probably a combination of all three of them.

[5:45]

I understand too that there was some acknowledgement that when regional municipalities were formed a few years ago in the

various areas there would be at least a 16 per cent increase in the taxation of those areas. As you know, there's been a significant increase in all of them, including the regional municipality of Waterloo with which I am very familiar.

This may not all be reflected in the local tax rate but has been reflected by the unconditional and the conditional grants that have been given to the regional municipalities.

One of the things that I would like the minister to look into is that the police commissions, when these grants are given to them or when a grant is increased from $12 to $15, immediately find some way of spending the money. I understand that the bill reads that it's an unconditional grant, and yet my own experience in the regional municipality of Waterloo indicates that the police commissions immediately feel that it's their grant and that the municipalities really have no control over that grant.

I'm concerned about this and I think that the minister should be concerned about it and should do something to more clearly designate in the future that it isn't necessarily for the police commissions to spend all the money, but that the municipalities, since it's so designated as unconditional, have the final say on it. Thank you.

Mr. Swart: Mr. Speaker, I have comments that I want to make on this bill, An Act to amend The Ontario Unconditional Grants Act. I don't want to be controversial when I lead off, but I think perhaps it's worth pointing out at this time that this will be the first municipal bill that has been dealt with in this House since I have been here—and perhaps it is more a Treasurer's bill--where the Treasurer and Minister of Intergovernmental Affairs has been present. On every other municipal bill he has been absent.

The bill which we have before us at this time is a relatively simple bill. It increases the general per capita grant within regions from $9 to $10 and the police grant from $12 to $15. Outside of regions, the general grant will be increased from the $6 to $8 which they are now getting to $7 to $9 and the police per capita grant from $8 to $10. There is an increase in the support grant for the northern municipalities from 15 to 18 per cent and there is an increase in the average level of assessment per capita of which a support grant is given from $10,400 to $10,650, which is exactly in line with the average of assessment per capita in this province.

I say immediately that we will reluctantly support this bill in second reading, even though we think in several respects it is wrong in principle. First, it doesn't meet the level of need for the municipalities, nor does it form part of a package that meets the Edmonton commitment. It also attempts to cover up the excessive costs of regional government and in so doing penalizes the municipalities which are outside of regional government.

I want to deal in some detail with what I consider to be these two major faults in the bill. I make no apology to the member for London Centre or anyone else for doing that. We're talking about moneys in the neighbourhood of $125 million or $150 million. Even if we have to take an extra day of the summer session to do that, I think that it is worthwhile to have all of these bills properly discussed.

Mr. Kerrio: Properly discussed.

Mr. Swart: I say that this bill—properly discussed, right. This bill is part of a—

Mr. Martel: Leaves a good deal to be desired.

Mr. Swart: —total transfer package of funds for the—

Mr. Speaker: Order, please. The side conversations are interrupting. The hon. member for Welland-Thorold has the floor.

Mr. Swart: Mr. Speaker, this bill is part of a total transfer package of funds to local government, a package which I suggest is very inadequate. Property taxes in 1976 in this province went up, according to the Treasurer's own figures, by something like 13.3 per cent.

Of course, he didn't add to that the average increase in assessment per capita so, in fact, the average taxpayer, the average property owner, had an increase in the amount that he had to pay of somewhere between 15 and 16 per cent. Even though he may have added a garage or put aluminum siding on his house to increase the value of his house so there was a greater assessment, the money still had to come out of his pocket and the average amount he had to pay was in the neighbourhood of 15 to 16 per cent.

This year, it's perhaps too early to tell the exact increase in property taxes, but I think again the Treasurer has estimated it will be in the neighbourhood of 10 per cent. I have checked the Niagara region, some eight municipalities there which have set their budget and I find that it is just about the 10 per cent.

In fact, the average taxpayer will be paying slightly more than 10 per cent this year than he did last year in his property taxes. I say that's a 10 per cent increase in the

mill rate. Once again, because there will be an increase in assessment the property taxpayer will be paying in the neighbourhood of 11 or 12 per cent more in dollars in his property taxes this year than he was last year. So much for the AIB guidelines, or any other level of income, or standard of living, or cost of living that we want to compare it with; it's above all of them.

From 1975 to 1976, the percentage of household income being paid out in taxes went up slightly from 2.4 to 2.5 per cent, and again this is from the Treasurer's own report. I suggest that this is not a true indication, because the property tax credit has not been increased and the facts are that those on the low income, therefore, had a net increase in property taxes of substantially more than the 15 or 16 per cent in 1976 and substantially more than the 11 to 12 per cent which they will have this year.

I presented the Treasurer, about a year ago, with a table that indicated the effects of not increasing the property tax credit. He said he would take a look at it but I've heard nothing from him since that time on this matter. That table showed that for a person with a $3,000 income, if there was a gross increase in his taxes of 15 per cent, it would mean his net increase would be in the neighbourhood of 20 per cent. That holds true generally across this province, that those in the lower incomes, because the property tax credit is not being increased, are paying substantially higher percentages of net increase than those in the higher incomes. I suggest that when we have these kinds of increases the reverse should be true, that those in the lower incomes should be paying less.

I'd be glad, again, to supply the Treasurer with that table if he would like to have it.

These increases are entirely due, or almost entirely due, to the cutback in the transfer increases to local government. Again, using the tables of the Treasurer, the increases in 1974 over 1973 were 14.6 per cent. In 1975, the increases in transfers went up to 24 per cent. In 1976, they were cut back to 7.9 per cent and in 1977, to 7.8 per cent. This is largely what has caused the dramatic increase in property taxes in 1976 and again this year. not only is it that cutback, although that is the major factor, but the reason that many municipalities have to spend more is because of the policy of the government of this province. I'm not criticizing all of that policy.

Mr. Gregory: I am sure glad you are not.

Mr. Swart: Some of the things which they have encouraged and in some respects ordered are things which should be done. We are having a better sewage treatment than we were having five or 10 years ago. Phosphate is being removed, and I don't object to this. There are better ways now, but more costly ways, of solid waste disposal, and the increase in the Ontario government's hydro rates have been a factor in the municipal tax rate. So I say that when municipalities have been forced by the Ontario government to increase their expenditures in many fields, there is some irony about the government relatively cutting back the amount of funds that they are supplying to the municipalities.

There's another factor too this year, in the inadequacy of the transfer payments in this bill and the general policy. That is that it has not lived up to the Edmonton commitment which was given on October 22 and 23, 1973. The then Treasurer of this province promised in Edmonton at that time and I quote: "The Ontario government therefore gives this guarantee to its local governments: provincial assistance in future years will grow at a rate not less than the growth rate of Ontario's total revenues."

Mr. Warner: Hollow words.

Mr. Swart: That was juggled around in a number of ways in subsequent years and subsequent statements given that year but it never got lower than the statement that Ontario's financial transfers to local government will grow at the rate of its total revenues. They took out the words "not less" but at least they said it would grow—

Mr. Reid: Is that the Edmonton commitment?

Mr. Swart: —at the rate of its total revenues.

I think we are aware that this year the Ontario government has withheld $108 million of the amount that would have lived up to that Edmonton commitment. If that had been paid, perhaps the average property tax rate in this province would have been no more than the rates which the AIB allows with regard to wages—but the Ontario government took upon itself to withhold $108 million from the municipalities.

My colleague from Riverdale (Mr. Renwick) made some comment in one of the debates yesterday that he hoped the six new members who took the NDP seats would be speaking on issues and making as much contribution as the NDP members had. I would just like to hear—

Mr. Reid: That is not a hard act to follow.

Mr. Pope: Figure it out. They are not around any more.

Mr. Swart: They will never do it.

An hon. member: Don't hold your breath on that one.

Mr. Speaker: Order, please. The hon. member has just a moment to go.

Mr. Swart: But particularly, Mr. Speaker—

Mr. Foulds: Careful now. Don't tease the bears.

Mr. Havrot: I think that's not the only contribution you can make.

Mr. Swart: But particularly, Mr. Speaker—and I have some more things to say so, after these two—

Interjections.

Mr. Speaker: Order, please.

Mr. Swart: But particularly, Mr. Speaker—

Mr. Speaker: May I ask the hon. member if he has some more remarks?

Mr. Swart: Two sentences by 6 o'clock.

But particularly, Mr. Speaker, I would like to hear the members for Wilson Heights (Mr. Rotenberg) and for Durham West (Mr. Ashe), who are member of the Provincial-Municipal Liaison Committee and who condemned the government because it didn't live up to the Edmonton commitment, speak on this particular bill.

Mr. Speaker: Any other hon. members to speak? Will the hon. memer for Windsor-Walkerville move the adjournment of the debate?

Mr. Swart: I have another 10 or 15 minutes on a related subject.

Mr. Speaker: Oh, I am sorry. I misunderstood the hon. member. I thought he was finished.

Mr. Swart: No.

Mr. Speaker: Will you move the adjournment of the debate?

On motion by Mr. Swart, the debate was adjourned.

Motion agreed to.

The House recessed at 6 p.m.

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Tuesday, June 28, 1977
Evening Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

House in committee of the whole.

Mr. Chairman: Members of the committee, as this is my first opportunity to act as your chairman af the committee of the whole House, I would like to take a moment of the committee's time to thank you sincerely for the honour and opportunity of being of service to you in this capacity.

In the previous Parliament, I enjoyed serving as chairman of a standing committee and appreciated the respect of all members accorded the Chair. I look forward of course to this new session of Parliament and hope that the duties of this committee will be carried out in a useful and productive manner. I will do my best to fulfil my duties in an impartial way and would ask all members, and particularly the new members, to become familiar with the rules of procedure of the committee. I know if this is done that the work of the committee will run smoothly, and in turn benefit the people af the province. I look forward to working with all hon. members and particularly the Deputy Chairman, the member for Simcoe East (Mr. G. E. Smith), who has had previous experience in this position.

Thank you again for the confidence you have placed in me as your chairman of the committee of the whole House.

UNIFIED FAMILY COURT AMENDMENT ACT

House in committee on Bill 1, An Act to amend The Unified Family Court Act, 1976.

Bill 1 reported.

On motion by Hon. Mr. Welch the committee of the whole House reported one bill without amendment and asked for leave to sit again.

Motion agreed to.

THIRD READING

The following bill was given third reading on motion.

Bill 1, An Act to amend The Unified Family Court Act, 1976.

ENVIRONMENTAL ASSESSMENT ACT (continued)

Resumption of the adjourned debate on the motion for second reading of Bill 2, An Act to amend The Environmental Assessment Act. 1975.

Mr. Laughren: Mr. Speaker, my colleague the member for Scarborough West (Mr. Lewis) adjourned the debate last evening, and I would like to continue.

The whole issue which sparked this amendment to The Environmental Assessment Act is one which I recall very clearly. I happen to have attended the press conference which was held at a hotel not too far from here over a year ago where Treaty No. 8 revealed to the public at large, for the first time to my knowledge, what it was that the government, and in particular the Ministry of Natural Resources and the then Minister of Natural Resources (Mr. Bernier) were planning in collaboration with the Reed Paper Company. I use the word collaboration, although there are other more sinister words that would apply.

I can assure you that until that time there had been no word about it, and there would have been no announcement by the Ministry of Natural Resources. Indeed the government's response and the minister's response when that particular news conference was over was that it was really all being taken out of context and exaggerated.

We learned as time went on that this was not the case, that Treaty No. 9 was absolutely correct and that their worst fears had a great deal of foundation. The response of the Minister of Natural Resources at the time and the Premier (Mr. Davis) was truly typical. They ran and hid from the issue as long as they could and denied that that was being planned. They denied the proposed contract between Reed and the Ministry of Natural Resources was going to happen.

But we know now, of course, that it was about to happen; and we owe, I think, a tribute of thanks to Treaty No. 9 for having brought this to public attention. Certainly it would have only been announced to the public as a fait accompli had it been left to the Minister of Natural Resources. It was only when the pressures increased, and when

questions were raised here in the Legislature and in the public at large, that the Minister of Natural Resources and the Premier were forced to admit, although they wouldn't agree to these words, that a sweetheart deal was indeed being arranged between Reed Paper Company and the Minister of Natural Resources.

Of course the Minister of Natural Resources reacted in what has become a way that we expect from him—total capitulation. We saw it with the whole area of occupational health, and we saw it again in this field of environmental assessment for northwestern Ontario. That was the beginning of the end for Mr. Bernier, although of course he would not like to admit that.

But the tactics that Mr. Bernier used, Mr. Speaker, before we could get to this point where tonight we are debating an amendment to The Environmental Assessment Act, were indeed shameless. These amendments are necessary. It's necessary that these amendments be put before this Legislature and become the law of the province of Ontario in order that a proper assessment can be done of the whole Reed Paper proposal in northwestern Ontario.

But I can tell you, Mr. Speaker, and I am sure you would agree with me, that the question is not just one of development for that particular area of land. Indeed if you look at the amendment it makes no reference whatsoever to the Reed Paper proposal. Rather it deals with the whole question of development in northwestern Ontario, or indeed any other place in the province of Ontario.

That surely is part of the problem of this government when it deals with northern Ontario. For 34 years they have not had any kind of vision for northern Ontario. They have had instead a series of rather opportunistic political reactions to any given issue. They have had a political response to every problem in northern Ontario, whether it is in the northwest, the northeast or the north in general. One need look no further than the whole question of development in general. If we look at the mining industry or if we look at the forestry industry, the same rules are applied by this government.

This bill requires that there be an inquiry under The Environmental Assessment Act, but I am uneasy about it, Mr. Speaker. I am uneasy about using The Environmental Assessment Act to investigate a specific problem such as Reed Paper. I can tell you why I am uneasy. I am worried that this amendment will mean that The Environmental Assessment Act will be used for a series of investigations, a series of inquiries and never allow for a look at the broad problem of development in northern Ontario.

There seems to be some kind of mythology about northern Ontario, in the sense that if you are not a northern member and you are speaking about the problems of northern Ontario you really don't have too much to say that's valid. Nothing could be sillier than that approach. When some of my southern Ontario colleagues were speaking on this bill there were interjections from the other parties that they were southern Ontario members. It seems to me that a southern Ontario member can have a pretty good idea as to what kind of development should occur in the province of Ontario, just as can a northern Ontario member.

I can tell you, Mr. Speaker, that the north may be different from southern Ontario but it is not intimidatingly different. It is not so different that planners and economists cannot look at northern Ontario in a sense of what is best, not just for the north but for all of Ontario. For too long, when planners and economists have looked at northern Ontario they have said what is best for southern Ontario is the way we develop northern Ontario.

I would not for one minute want you to take my word for this. May I refer you to a document that was published by the Sudbury Chamber of Commerce called A Profile in Failure. That document says very well what we as New Democrats have been saying for many years about the failure of this government to address itself to the problems of development in northern Ontario. They are speaking specifically to northeastern Ontario, but certainly the same kind of comments could be made about this government's attitude to northwestern Ontario or to northern Ontario in general.

The point that needs to be made is that the north is big, the north is sparsely populated, but the north is not so different from the rest of the province of Ontario. It consists of thriving cities and communities. It consists of small towns and small cities, and it consists of rural areas. What needs to be done is that this province has to look at northern Ontario as part of an overall problem of lopsided development in the province, and to this date the province has failed to do that.

I would refer any of the members to the document put out by the Sudbury and District Chamber of Commerce called A Profile in Failure. I think what they have to say

about this government and this government's attitude towards development and towards northern Ontario speaks volumes. It is not often that the New Democrats and the Chamber of Commerce for a community can join hands and agree on something as profoundly as we agreed on their document A Profile in Failure.

Many of us are dismayed that the future development of northwestern Ontario may very well be largely in the hands of the Minister of Northern Affairs (Mr. Bernier). That bothers us a great deal. It's one of the reasons that we support this amendment to The Environmental Assessment Act. It takes out of the hands of the Minister of Northern Affairs any kind of charting of the progress of the north in the foreseeable future, particularly in northwestern Ontario.

We are very very worried about the Minister of Northern Affairs. We know that when it comes time to chart the future of the north that the Minister of Northern Affairs will always use the lowest common denominator when making decisions about the future of the north, and we are tired of that kind of approach to development in northern Ontario. The Minister of Northern Affairs has lost any kind of credibility he ever might have had in northern Ontario. The fact that he has been salvaged from unemployment by a post in what is called the Ministry of Northern Affairs doesn't fool anyone in northern Ontario.

[8:15]

As for the fact that he would use such a thing to—well there are nice terms for it—but that that minister would run across northern Ontario saying in reference to the Reed proposal that the New Democrats and anyone else who wanted an environmental assessment done really didn't care about jobs in northern Ontario is plain and simply dishonest. That is not the approach of this party. We have always said that we believe in the proper development of northern Ontario, but not at the expense of the environment, not at the expense of the native peoples of northern Ontario and not for the benefit of the southern part of the province. For the Minister of Northern Affairs to imply—

Mr. Warner: He is the minister of natural disasters.

Mr. Laughren: —that we as a party are more interested in saving the environment than we are in jobs is simply not true and is only giving one half of the equation. What we are saying is that we are interested in the development of northern Ontario, more interested than he is as a matter of fact, because we have put very clear alternatives to the development of northern Ontario, certainly more than this Treasurer (Mr. McKeough) has or this minister ever has. We are giving clear alternatives to development in the north, while he goes across the province fear-mongering, implying that the New Democrats are not interested in development or employment in northern Ontario.

What we are interested in is creating employment, but creating good employment and creating employment which at the same time protects the rights of native people and protects the environment, the rather fragile environment that exists in many parts of northern Ontario. Nowhere is that better exemplified than in northwestern Ontario where he was prepared to go into an area with very little concern for the whole regenerative process of our forest industries and give away a large part of this province to Reed Paper, whose record is not something I am proud of, which they indeed should not be proud of and which the minister as a matter of fact should be ashamed at because he is the steward of our resources.

It bothers me a great deal that that particular minister has been the steward of our resources for so long. It's no coincidence that such an agreement—call it a memorandum of understanding if you wish, Mr. Speaker—was being negotiated behind closed doors when that particular minister was doing the negotiating.

That particular minister has yet to negotiate with an open door and it won't change as long as he sits in the front row of the Conservative government in the province of Ontario. He bothers us a great deal. That is the Minister of Northern Affairs. He is—no, I won't say it.

Mr. Warner: Why not?

Mr. Laughren: I am pleased, in a sense, we have reached the stage in which we are debating in the Legislature an amendment to The Environment Assessment Act, prompted by the whole question of development in a part of Ontario which has never had a proper environmental assessment study done. I'm pleased the Hartt inquiry is going to happen. As I said earlier, I'm worried they might get into the position of having to respond more to presentations than to go out in an aggressive fashion and conduct an inquiry more along the lines of the Berger inquiry, where the inquiry itself was the aggressor as opposed to re-

ceiving briefs and commenting on briefs presented to them.

Finally, I hope when the inquiry is being conducted by Chief Justice Hartt it will establish its priorities early. My own priorities would be, first of all, the whole question of native rights in that part of northwestern Ontario which my colleague from Port Arthur (Mr. Foulds) outlined, I thought, very succinctly, last night in this chamber. I hope that the chief justice will read those remarks because I think that has to be our number one priority.

Secondly, there is the whole question of resources and their regeneration, and we are talking about forests. That surely has to be secondary in importance, but nevertheless extremely important because the foresters in the province of Ontario expressed very grave concern about then. These are professional foresters who know very well how fragile even a renewable resource such as forests can be if it is not treated properly. I must say it takes an unusual government to turn a renewable resource into an unrenewable one, but this government is capable of that act. That's another reason why we are in favour of this amendment to The Environmental Assessment Act and for the whole inquiry being established.

Finally, we hope that the chief justice will look at the whole question of economic development in northwestern Ontario. Some day I hope this government will move to establish some kind of strategy, not just for northern Ontario but for all of Ontario, keeping in mind that there are unique resources in northern Ontario that are not present in the southern part of the province, and that this will allow us for the first time to have a strategy for development for all of Ontario, keeping in mind the particular assets of the north so that not only the south benefits from the riches of the north but the north benefits as well.

Some day, Mr. Speaker, perhaps at one of your receptions, I could get you in a corner and you could explain to me how it is that we still have in the province of Ontario—only in the north as far as I know—such things as community taps for towns of 800 people. Somebody's going to have to explain that to me. I don't know whether there are any community taps up in the area of the Reed Paper proposal—

Mr. Lewis: That's not a wiretap.

Mr. Laughren: No, it's not a wiretap.

Mr. Cunningham: That is a public trough.

Hon. J. A. Taylor: I can see the wavelength you are on.

Mr. Laughren: As a matter of fact, the Minister of the Environment (Mr. Kerr) understands that issue very well.

Mr. Lewis: It's like the Minister of Energy's verbal facility—a running tap.

Hon. J. A. Taylor: I can see the wave length you are on.

Mr. Laughren: I want to tell the Minister of the Environment that it's too late for him now. When the community tap was put into Gogama, they built a statue of the Minister of Agriculture and Food (Mr. W. Newman) and incorporated the tap into the statue.

Mr. Warner: Tell him where.

Hon. Mr. Kerr: I put a sewer into that community.

Mr. Laughren: You'll just have to eat your heart out. Let us hope there dawns in the province of Ontario a realization by people that the day is gone when you can draw those kinds of lines about the standard of living and about the quality of life in this province and say to 800 people in a community in the north that they will live with a community tap. That is simply not acceptable.

Mr. Speaker, I notice you're looking a little edgy at that talk about a community tap under The Environmental Assessment Act, but I want to tell you that's the kind of thing that needs to be looked at and that this Environmental Assessment Act amendment will not allow to happen. I'm nervous about this Environmental Assessment Act being used for a specific proposal such as Reed Paper. I don't want to be contradictory about it because there did need to be an environmental assessment study done or an inquiry held on the whole Reed proposal but the need for an inquiry into the whole question of development in northwestern Ontario goes much broader than what is happening with that Reed Paper proposal.

I understand the kinds of problems that Chief Justice Hartt is going to have as he conducts the study. I sympathize with him on the problems he's going to have. We just hope he can get on with it as quickly as possible and that he can be aggressive about it without taking an undue length of time.

I can assure you, Mr. Speaker, that we in this party will be following the progress of that inquiry very closely and encouraging an aggressive attitude being taken towards the Reed Paper proposal so that we can once and for all, hopefully, settle whether or not there is a sane kind of development that can occur in that particular part of the province. We have our suspicions and doubts, certainly

about the memorandum of understanding that was signed by the then Minister of Natural Resources, but we are still at this point in time encouraging the passing of this Environmental Assessment Act amendment and encouraging Chief Justice Hartt to get on with this study.

Mr. S. Smith: I wish to speak briefly. We welcome the inquiry that's to be conducted by Mr. Justice Hartt. We are of the opinion it is high time that there be developed a policy toward the development of the resource base of the province, particularly the growth and then the decline of one-industry towns, the need to recognize the enormous impact that this has environmentally in a narrow sense and on the social environment of people. We hope that's what will come out of his inquiry.

We have to recognize that the days when governments can conduct their negotiations with large or small companies in secrecy and then hope to spring agreements on the people of Ontario, those days, thankfully, are over. We now have to act in the light of day with full public input wherever that's possible.

I believe that the native peoples have had their confidence damaged very badly by the secret negotiations which preceded the revelations regarding the Reed deal. Certainly, in my conversations with people from Treaty No. 9, they've indicated to me a real feeling of shock and disbelief that their interests and their persons would have been totally ignored in the course of negotiations which went on in great secrecy.

I feel that if Mr. Justice Hartt is to succeed in his inquiry, and we all hope that he does, he is going to need, above all, the confidence of the native peoples, the people of Treaty No. 9. It is obvious to us, from conversations we have had, that the people of Treaty No. 9 are looking a little to the south to the treatment that has been meted out to the people of Whitedog, the people of Grassy Narrows and the people of Treaty No. 3.

We believe that one of the important things that this government must do, in association with setting up the inquiry by Mr. Justice Hartt, is win back the confidence of the native peoples. We have suggested, for instance, that there be an agreement similar to the northlands agreement signed in Manitoba, whereby considerable federal and provincial sums would be devoted to the rehabilitation of various industrial possibilities among the native peoples. We have suggested that the tragedies which have been occurring in area after area where native persons are involved—the tragedies of the disappearance of their traditional lifestyles, the inability of the traditional lifestyles and traditional occupations to support the large population; the social deterioration which, sadly, has been documented from time to time, along with health deterioration—these things are a blight. They are a blight on our own conscience and, as people who are intrested in government in Ontario, we have to correct this and our native peoples most certainly have to be given the consideration that has long been due them.

I feel, particularly, that if there are jobs to be created with development, these jobs ought to go, first and foremost, to native persons. It's not enough to expect that they will be able to continue their livelihood of hunting and fishing in most areas because, frankly, even where the waters are not polluted that has not been sufficient for these people. They know that. But I think it's very important that we consider, not just the large timber rights but things like the small sawmill operation and the wild rice crop. Many of these things have been detailed so well by the former holder of this position, Leader of the Opposition, the present leader of the New Democratic Party (Mr. Lewis). I certainly feel that we, as Ontarians, have this obligation to be certain that what jobs are created are created without disturbing the physicial environment unduly and without ruining the social environment, and that these jobs are made available, first of all, to the native peoples.

One very important way that we can gain the confidence of native peoples everywhere, and particularly in Treaty No. 9, is to be much fairer in our dealings with the native peoples who have suffered so much on Whitedog and Grassy Narrows. I feel that these people have asked, very reasonably, not for very much. But one of the things they've asked for is the chance to save the lives of the fishing guides, the wives of the fishing guides and the children of the fishing guides. They have asked for this and they have said that these lives, at present in danger, can be saved if there is a ban on sport fishing in the English and Wabigoon Rivers system. I can tell you, Mr. Speaker, from conversations I have had with both the chief of Whitedog and the chief of Grassy Narrows, that the refusal of the government to accede to these demands has caused a tremendous gulf to occur in their ability to trust the government, in their ability to believe in the kinds of institutions which we in the government set up.

[8:30]

I think therefore it is exceedingly important that we accede to the particular wish which they have expressed, which is the wish to have sport fishing banned on the English and Wabigoon Rivers system. I feel it's a reasonable request. I have gone into this in great detail elsewhere; I don't see any need to go into it at great length at this moment. But if we want the Hartt inquiry to succeed and we all most earnestly do, we have to show some measure of good faith, some measure of genuine interest in the native peoples. Surely we can accede to the one thing they have been asking for, the one thing which would show that we are truly prepared to make the sacrifices we have to make to try to make good the damage which our society has inflicted upon these native persons.

So I want to tell you, Mr. Speaker, that when this goes to committee—and I hope it will go to committee; we intend to ask for that—that I intend to introduce at that point an amendment to section 2 of The Environmental Assessment Amendment Act which is before us now. In that amendment I will at that time be asking to delete the words "it receives royal assent" and add the words "following the implementation of a ban on sport fishing on the English-Wabigoon Rivers system."

I realize I will have time then to debate it and I will not act out of order by debating it now. Let me just say, however, as a means of drawing the attention of the House to this amendment which we will be bringing forward, the effect of such an amendment would be to prevent the Hartt inquiry from going forward until the necessary step which we think is required to get the required confidence of the native peoples, until that step has also been taken—that is a ban on sport fishing on the English and Wabigoon Rivers system. We look forward to the committee in order to debate that particular item.

Therefore I draw my remarks to a close by saying we are very interested in the inquiry. We hope it will go forward. We want to create the best possible conditions for it. We want to be certain that the native persons have trust and confidence in the inquiry. We feel it's about time that this government recognized the need to respond to the native peoples of Ontario. Particularly since the government is in a minority situation, we feel it's about time they recognized that they are going to have to do something they may not have intended to do or may not prefer to do, although I am told that some members of the cabinet would prefer to do this. Others would not.

In any event, we will have our opportunity to debate that later on. That's the sum total of the remarks I care to make this evening until committee and I shall speak again in committee and propose this amendment. Thank you very much, Mr. Speaker.

Mr. Renwick: With the becoming modesty of a person from the south, I intend to speak laconically about this proposed amendment. I welcome of course any comments that any members from the north may wish to make about the affairs of the riding of Riverdale. I need a lot of help in there because I have sat in opposition to a Tory government for 13 years representing that riding and I want to say that if perhaps people in the north have some qualms about listening to me speak about their affairs, I welcome any support I may possibly get in Riverdale—for example, about a GO Transit station at de Grassi Street or any of those important matters which relate to the God-fearing, tax-paying people of Riverdale.

First of all I want to say to the Leader of the Opposition (Mr. S. Smith) that we have received notice of the intended amendment and that will have careful consideration by our caucus to determine what action we should take to it. But I did want to speak to my fellow southerner, the Minister of the Environment (Mr. Kerr), about the bill which he is proposing to us. I want to share with him a certain apprehension I have about the tone of the debate last night and perhaps a bit of the tone of the debate tonight as reflected in the remarks of the Leader of the Opposition—but particularly last night. I am concerned, and I express this concern to the minister about the work that was done—I agree it was done by concerned persons in this assembly—but I think it's fair to say that it was done under the thrust and leadership of the leader of the New Democratic Party to get the government to consider the appointment of this kind of a commission to look at northern Ontario on the vexed question of environment protection and development. Now because of the election—and it's reflected in what took place last night—the mood and the style and the tone of what we were talking about have changed.

I think it has something to do with the switch in the seats in the north. I think the members of the government, particularly the Minister of Natural Resources (Mr. F. S. Miller), the Minister of Housing (Mr. Rhodes) and the Minister without Portfolio (Mr. Henderson) are all determined, to the extent it is possible to do so, that there will be a Hartt commission, but a very truncated one, one that will be under intense pressure to

report very quickly and get the job done, so that the forces of development will overcome the forces of those who want a more moderate development and a carefully constructed protection of what everyone, I believe, considers to be a fragile environment.

I heard those tones within the remarks made by the member for Rainy River (Mr. Reid), I heard somewhat the same remarks, undertone or current, in the remarks made by the member for Nipissing (Mr. Bolan) and I certainly heard it in the interjections and the comments that were made by members of the government party, particularly the member for Fort William (Mr. Hennessy) when he spoke briefly about it last night. So I think we have an ongoing question of principle before the assembly, where the pendulum will continue to swing, I assume, long after any of us here have vacated the place. That is: How do you balance off and have the benefits of environmental protection, staged development, rejuvenation of renewable resources, careful use and exploitation of non-renewable resources and protection of the native peoples? How do you have all of those things in the face of an economy that is demanding there be jobs, that jobs be created, that development go on unimpeded in the style in which the Tory government and the predecessor governments in Ontario have had their version of development in the north?

That battle is still going on. I think that we on balance remain where we are on that issue; that is that we want a carefully understood and studied modulation of the development of the northern part of Ontario in a way which is best suited to the whole of the province. In that way, I have as much interest as any other member.

I want to say to the minister that I am rather concerned and I think I should share this with the leader of the Liberal Party as to whether or not there isn't going to come about at this point in time a significant delay in the implementation of the appointment of Mr. Justice Hartt as the commissioner or the person to carry to carry out this inquiry. This is the first concern I want to have.

I want to express my approval, if I may, of the form which the minister has taken to introduce this amendment and to bring the possibility of the creation of the commission within the framework of The Environmental Assessment Act. I was concerned for some time as to whether or not it might not have been best, rather than to have a continuing amendment of The Environmental Assessment Act, to have introduced a separate and special bill to deal with this matter, to put the terms of reference right in the bill, have the commissioner appointed under the bill and have it dealt with that way, rather than to have a generalized Part III introduced into the bill, which will be there for some considerable time, and then have terms of reference by order in council appointing the commissioner.

I think if one lived in a black and white world I would have preferred the other alternative, that is a special bill to cover those particular questions. But I am satisfied with the way in which this amendment is drawn and I'm satisfied with the language of it. Despite some comments that were made, I believe by the member for London Centre (Mr. Peterson), I'm pleased to see that it hasn't just been thrown under the Public Inquiries Act. I share what I believe to be the concerns of counsel for the ministry that The Public Inquiries Act has some archaisms in it and some antiquated provisions which are not particularly appropriate.

So within those limits I'm rather pleased with the way in which the minister has chosen to amend the statute. I'm particularly pleased that this method incorporates a matter which we discussed at some length when the bill was in committee in its original form, when we were trying to deal with this vexed question of who interested persons are for the purpose of making representations before anyone appointed under the Act.

So I'm satisfied with the legal framework. I do hope that the very fact that there are provisions for stated cases and for objections, and God forbid that I should use the phrase, committing people for contempt, that those will not be used or not be necessary. I hope that all persons interested will be interested in furthering the purpose of the inquiry and not be raising the usual legal obstacles to any successful conclusions to its work.

But I want now to come to what I take to be—and we have the advantage in our caucus of an exchange of views with Mr. Justice Hartt on these questions—as to just what the purpose was. The amendment to the bill permits a very wide-ranging inquiry to be appointed. The wide-ranging inquiry is going to be appointed and Mr. Justice Hartt is going to be the commissioner. My concern, strangely enough, isn't what we want but how do you fit it in within the lifetime of Mr. Justice Hartt or any of his lineal successors in order to complete the work which is envisaged if the terms of reference are taken at their face value.

I think the resolution that we in this caucus would like to see is that what we are really asking or telling Mr. Justice Hartt—and I suppose in a sense I'm speaking directly to

him in absentia—about what we believe should be done, and I'm certain he'll do it in his own way. I think that he should take as the major focus of the question which this assembly is asking him to be that when any developmental project from now until the year 2000 or thereafter comes forward for consideration by the government, from private industry or from the public sector, that the result of the commission will be to establish the kind of procedures and guidelines and methods of assessment which each and every development will be subjected to, so that we will have an overall framework within which we can approach the question of approval or disapproval of individual developmental projects in the north.

I think the only way that one can deal with that kind of question is for him to use a certain limited number of projects which are under consideration or on the horizon for the purpose of focusing attention on the more generalized conclusions which he would have to recommend for all projects at all times so far as we can foresee them.

[8:45]

He should use, for example, the Reed Paper project as typical of what used to be done. It may well be that he must consider a number of other vital problems that have to be concerned. I have spoken and others more intimately involved and more closely connected can speak to it. But I think we have to renegotiate Treaty No. 9 to which the province of Ontario and the federal government and the Indian communities around the James Bay are party, because that in my view is an iniquitous treaty and needs renegotiation. I would hope that he would lead the way toward pointing out the ways in which appropriate changes could be made with respect to the relationship between the native peoples and their land and how they are to benefit in the course of developmental projects which may be undertaken.

We have, of course, the smaller question of the lignite deposit at Onakawana. We have also I am told the question of the deposits at St. Joseph. Therefore, that kind of question may very well be the kind of typical cases which the commissioner can analyse for the purpose, not just of those specific projects, but for laying out a method by which, over a period of time, each and every projected and anticipated development in the north can be successfully assessed and valued and equated to the social, economic, political and cultural needs of that part of Ontario and, in saying that, for the whole of the province of Ontario.

I think it is possible within that framework for the commissioner with care, which I know he will give to the matter, with an expert staff, which I know will be available to him but with a carefully constrained area of operation for his commission, may well be able to move relatively expeditiously to deal with certain aspects of the problems.

I would assume, and I am sure the minister would confirm, that it is not necessarily a one-report-only operation. It may well be that certain aspects of his work can be the subject of a series of reports over a period of time, rather than to impress upon the commissioner that yes he must report and be finished within two years or three years.

I want to say what must now be obvious to all of us, that what is known colloquially as the Berger commission of course was related to a specific project—that is whether or not there should be a pipeline down the Mackenzie Valley. And in a funny way the work of the Berger commission, whether it is implemented in these recommendations or not, has suddenly led everybody to sort of shy away from the Mackenzie Valley, but to say now we can do it more easily down the Trans-Canada Highway. Instead of taking two or three years we can do it in two or three months and we appoint a representative person such as Dean Lysyk to carry out the study.

I want to make it clear to the minister that is not what we are talking about. We are not talking about Mr. Justice Hartt dealing only with the Reed project and then coming up and saying whether that is a good project or not. It may or may not be, but I want him to use it simply for the purpose of typifying and symbolizing the kind of way in which development projects will be examined and assessed in the future from all points of view.

Therefore, it seems to me—I hope I am wrong—but I would hope that what we have been trying to say in this debate will maintain the balance that existed with respect to the concern in the assembly about the vexing problem of development on the one hand and environmental protection on the other, including all of the questions which we raised throughout the whole of the questions and answers and debates and changes, gradual changes, in the government policies from the time when the Reed project was first conceived in the brain of the president of Reed and the brain of the then Minister of Natural Resources, until we got to this point.

I don't want the Reed project to impinge upon and dictate the terms of the Hartt commission. As I say I can see, and I can sense in the air, an endeavour to gradually

restrict the conception of the Hartt commission back to just the Reed Paper project because of the immediate success, obviously, of the rather crass policy of the Minister of Northern Affairs and the Minister of Housing and the Minister without Portfolio in the course of the last election when the question of let's get on with it, let's get on with the developments, let's get the jobs created, let's get all of that done, and in a sense weighing the balance against the kind of environmental concerns which the minister has. The minister, being the frank person he is, doesn't hide the problem that there are real divisions within the cabinet. Obviously there must be real divisions everywhere on this vexed question of how you go about a modulated and moderate development of the north in an intelligent and sensible way, in an overall way.

Mr. Nixon: The minister is going to support our amendment.

Mr. Renwick: It seems to me, for example, that we are going to have to face, somewhere before the turn of the century the questions—and I don't pretend to know anything about them, as they are just words to me—of the polar gasline down through there; we are going to have to face before the turn of the century what, if any, interest—and it has no present jurisdiction—does the province of Ontario have under James Bay should any significant mineral or other deposits be found under James Bay.

We've got to deal with the question of Treaty No. 9; and to the extent that it is within our power with the North-West Angle Treaty. We are going to have to deal, as the select committee on hydro rates indicated, with the whole question of the capacity or possibility of the large rivers flowing into James Bay being an additional source of hydro-electric power in the province. We are going to have to deal with the poisoning of the English-Wabigoon Rivers system. We are going to have to deal with how to replace the economic environment of the native communities in that area, those who live within that framework of that economy, and how we are going to replace the economic conditions for them in the least insidious way with respect to the destruction of their way of life and their background and culture, which at this point in time is quite tenuous and to which we all are extremely sensitive.

So I am just really saying to the minister, please let's not at the beginning start to think about the Hartt commission as having only a short lifetime or having a limited mandate, even though the terms of reference of that mandate may be very broad and very wide, because he, the commissioner, will obviously be looking to the government—

Mr. Sargent: Quit wandering and cut it down to 18 minutes.

Mr. Renwick: —and I hope will be looking as well to what has been said in this assembly about the way in which he should go about the selection of the way in which he studies these various problems. I would like some indication from the minister, for example, that yes, he does envisage a series of reports from the commissioner, that those reports will deal with the commissioner's selection of areas of concern—

Mr. Sargent: You talk too long. Crystallize the deal.

Mr. Renwick: —and that over a period of time it will be possible as a result of this commission to know how we go about that question of a careful and moderate and modulated development of the north which will ensure and maximize the economic development of the north consistent with all of the trite things that can be said but must be said about the protection of the cultural, social, economic and other parts of that particular vast extent of northern Ontario. I hope in due course the minister might respond to those comments.

Mr. Nixon: I wanted to speak briefly on the amendment that is before us. Certainly we on this side favour the amendment as it is established, and particularly the appointment of Mr. Justice Hartt, who attended our caucus as well as the NDP caucus to indicate his views and to answer questions which I thought was a very intelligent step for him to take under the circumstances. It is imperative, I believe, that all parties support the concept of this review. It is to be hoped that his recommendations will not be too long in the offing and that the House can proceed with any ancillary legislation in order to act upon his basic recommendations.

I am sorry the Minister of Northern Affairs (Mr. Bernier) is not in the House at this time because it must obviously concern him, as much as the Minister of the Environment (Mr. Kerr), that this bill receive approval on all sides of the House.

I hope the establishment of this chairmanship under The Environmental Assessment Act does not mean that the government is not going to undertake, let's say an investigation or at least a review of the affairs in the northern part of the province by the mem-

bers themselves. As the hon. Minister of the Environment must surely recall, on previous occasions, usually following a general election, there was an opportunity given to all members of the Legislature to travel into northern Ontario to meet not only those people involved in the business of development but those in municipal affairs and the native people as well, and not in the rarified atmosphere of the committee rooms of Queen's Park but in their own communities. While it doesn't appear that very many people on the government benches are listening to my remarks I would certainly hope that some of their multitudinous assistants will bring to their attention that at least this member of the opposition is very much in favour indeed of the private members of the Legislature having an opportunity to travel into the north, even to the area covered by the ambit of the responsibilities we hope to give Mr. Justice Hartt, to see for ourselves what is happening in the native communities and to see for ourselves the resources which we may be asked to sign over to the development of one company or another in the future.

I believe that we, as members of the Legislature, do not abdicate all of our responsibilities if this bill carries and Mr. Justice Hartt accepts the responsibilities that we hope will be laid on his shoulders. There is no doubt that his review of this matter will take many months. As a matter of fact, I am afraid it might take many years. I would hope, whether or not there is going to be development in that area, that it is not going to be unduly postponed by the discourses and the hearings that undoubtedly will be a major part of this assessment.

The minister indicated, as have various statements, that the terms of reference for Mr. Justice Hartt will be everything north of the French River or north of a certain parallel, including all of the northern part of the province. As a result, there are many problems which certainly will be submitted to him. The member for Riverdale (Mr. Renwick) who is no longer in the House this evening, has indicated some of those, such as the development of the lignite deposits south of Moosonee and certain other deposits which lie in the public domain and which must concern us all as far as the timing and the importance of their development is concerned.

We have heard of the inadequate response, I suppose, to the rights of the native people in the north by both the government of Canada, which is primary in this regard, and the government of this province. I've been reading a number of articles recently on the role the government of the United States of America has played in meeting the demands of the native people of the state of Alaska. As most hon. members would know, not only were large territories set aside for the exclusive use of the natives but a payment of $1 billion to the native community over a period of years was arrived at in order to set at rest once and for all the claims from the native communities as to the use of the territories involved. I believe this is the sort of thing that faces us.

I'm sure you at least are interested in my remarks, Mr. Speaker, even if my whip is not, but it seems to me that there is an example even closer to home in the position taken by the province of Quebec in dealing with the native peoples in the northern part of that province in which, after careful deliberation, the so-called National Assembly of the province of Quebec has agreed to a rather generous payment to the native people to—I suppose expunge is not the right word to use in this regard, but at least to meet the statements, the feelings and the challenges, legal and otherwise, made by the native peoples in that regard. Whether or not that is completely satisfactory to both parties, I am not in a position to say. But we in this province have really done nothing to meet these challenges, legal and otherwise, in the northern part of the province of Ontario.

[9:00]

Many members of this House and certainly most citizens of Ontario—or most citizens of Canada living in Ontario—are not aware of the tremendous expanse of territory that is a part of the province of Ontario in those northern reaches. Someone pointed out to me once that if the map of the province were cut out of cardboard and you were to balance it on your finger, the fulcrum would be somewhere around Kapuskasing. In other words, there is as much territory north of Kapuskasing as there is south. When you think of how far some of us feel we have travelled when we go to Kapuskasing on matters public and otherwise, then it really is an impressive concept when you think of all of that territory north of Kapuskasing which is certainly contested as far as the legal rights for development are concerned.

So I would think that aside from the development of the forest resources of the territory that the government wanted to sign over to Reed Paper some months ago,

the tremendous responsibility for Mr. Hartt to give recommendations to this government and its successors as to the status and the stance that must be recognized is something that must really impress us all.

So to return to my first point, I would hope that those members of the government who would have responsibility in this connection would undertake to see that during the course of this investigation there will be an opportunity for the members of the Legislature to travel, hopefully in a large group, into the north to meet with those people involved in the development of our resources, the mining and forest resources particularly. They should be able to meet with those people who have municipal responsibilities, and as important as any other to meet with the native people in their own stamping ground.

I notice the Minister of Agriculture and Food (Mr. W. Newman) is somewhat amused by this suggestion. As a matter of fact, when I first got to know him, he and I and a number of other members of the Legislature were on just such a tour of northern Ontario. We were meeting with the native people on fishing rights, as I understand. From the camp of the white man, a member of our party, as I recall—small "p" party, that is, made up of all members of the Legislature—had commandeered a boat and gone over to the Indian village and through a most amazing feat of daring had returned with an armful of lake trout, the like of which you, Mr. Speaker, have never seen before.

An hon. member: With respect.

Mr. Nixon: With respect, with respect. The fact that some of the Indians were behind him in a boat waving their paddles and shotguns has probably nothing to do with the outcome of the situation. I would say to you, Mr. Speaker—you no doubt were there—that we were extremely well received by all parties and the fish was delicious. If it weren't for the native people to catch it, we would have starved and that's a fact.

An hon. member: You're your own liquor control board.

Mr. Nixon: I'm disappointed that the member for the new Ministry of Northern Affairs is not here. The first time I ever met him was when, as a member of the Legislature, I was on one of these northern fact-finding tours and we were travelling through the main street of the town of Hudson, which at that time was not even paved. I believe it was Mr. Robarts who was the Premier—Prime Minister, as he liked to call himself at the time—and he was travelling in the lead limousine—the rest of us were coming along in school buses, as I recall. There was a banner across the main street of Hudson saying: "Welcome to the members of the Legislature. Mr. Robarts, we need housing." And there beside the banner, waving his arms and saying hello to all the Tories, was "Leo Berni-ay," as we called him then. It's Bernier; Bernier, yes; but we called him "Berni-ay" then.

Mr. Roy: Now that he has become governor.

Mr. Nixon: We all stopped and we debussed, or de-limousined depending upon our status, and we gathered around Mr. Bernier. He indicated how important it was that housing was brought into Hudson. To be fair, I have to tell all the details, because at that time the constituency was represented by a Liberal, as I recall—or there was a by-election pending, perhaps that was it.

An hon. member: And we won the seat at both of them.

Mr. Nixon: Bob Gibson, a fine gentleman indeed, was elected on January 18, 1962.

Mr. Lewis: You remember that date?

Mr. Nixon: I remember very well. There was Mr. Bernier; he was keeping store at the time. They sold groceries and rubber boots, as I recall, but he made quite an impression.

Mr. Reid: Not necessarily in that order.

Mr. Nixon: It was a tremendously invigorating experience, as the Minister of Agriculture and Food can testify.

Mr. Roy: How many of those trips did you go on?

Mr. Nixon: I was on several and there are a lot of things about the north that I don't know yet. Like the member for Riverdale, there are a few details that escaped us both. But I'll tell you, on that occasion, I believe the Lands and Forests air force was put at our disposal—those planes that were not in use by the cabinet ministers. They had a tremendous armada of something like 15 planes, mostly those old Otters with the double wings that flapped, you may recall, and one great big motor on the front that thrashed away like mad. We were taken up to Trout Lake. We slept in the schoolhouse, as I recall, and we met with the Indian leaders there and, of course, the leaders of the Anglican church.

Mr. Breithaupt: It was possible to tell the difference?

Mr. Nixon: You'd better believe it. There was a line drawn down the main street—no, that's not true; as a matter of fact we had an excellent time there and we certainly received a lot of information on and hospitality of that part of northwestern Ontario.

We went on to Port Severn, which is about as far as you can go if you want to stay in Ontario—and who doesn't? Actually we were all supposed to fly into some place called Attawapiskat. There was a time when I didn't pronounce that correctly and perhaps the Conservative House leader would like to try.

Mr. Cunningham: That was before Pat Reid's time.

Mr. Nixon: But as a matter of fact Mr. Speaker you may recall the situation because as we left Port Severn the reports came in from the communications service that Attawapiskat was pretty well socked in with bad weather, and so only one plane could go in, because of course the people there had prepared to receive the delegation to express their views about northern development which is after all, Mr. Speaker, what we're talking about. So it was decided that only one plane could go in. The then Minister of Lands and Forests was a gentleman named Kelso Roberts, much respected by members on all sides. He almost became Premier; and who knows, if he had, how things might have been different, but he didn't quite make it.

Mr. Breithaupt: The Tory delegates had a problem in spelling.

Mr. Nixon: That's right. Anyway, Mr. Roberts would have to go into Attawapiskat and I think the hon. member for York South (Mr. MacDonald) might recall this because I believe we drew cards from a deck as to who would fly along with the minister. Anyway, the member for York South had probably arranged, in his usual way, to be included in the trip. I drew a card, and my God it was the ace of spades and I thought: "Well, this may be the end of a political career."

Mr. MacDonald: The leaders went along.

Mr. Nixon: But we flew into Attawapiskat and there we were received by the Roman Catholic clergy. There was no fooling around, because they not only had a bell in the church but they had loudspeakers, so that when the priest in charge there, an excellent gentleman whose name eludes me at the moment, wanted the people to come to meet this delegation he rang the bell and got on the blower in the Cree language, I believe, and the Indian people came in and gave us a royal welcome indeed. They had beans, bacon and homemade bread for, I guess, about 50; and the Minister of Lands and Forests, the member for York South and the then member for Brant cleaned up on most of it, as I recall.

Mr. Reid: There was no shortage of gas, I presume.

Mr. Nixon: Hardly any shortage at all. I simply bring this to your attention, Mr. Speaker, to indicate that these are fond memories of mine. While the House leader for the government might not consider it helpful, I would recommend very strenuously to him, if he has any voice at all in cabinet—and I have never seen it demonstrated so far—that he see to it that there is an opportunity for the members of this House, many of whom have never been past Gravenhurst or even Orillia, to go into the north and see what's there, to see the attitudes of the people. It is just a little bit different even than the attitudes of the people of South Dumfries, strong and forthright though they are.

I would also like to say, as far as the review of these matters by Mr. Justice Hartt is concerned, my leader has made it eminently clear that we hope not only will this review take place but that it will be predicated upon the confidence that the native people will have in this House and this government and the review as constituted by the Act of this Legislature. I believe the amendment he has been referring to, which we will be debating later, is one which can accomplish this and one which surely the Minister of the Environment above all other cabinet ministers will be able to support.

I remember very clearly his stating in his own forthright way during the election campaign that he for one felt that the English and Wabigoon systems should have been closed, but it was not possible for him to convince his recalcitrant colleagues to go along with him. It is not often that this kind of insight into the problems that cabinet ministers face is made public, but it's the sort of thing which surely can now be put to some sort of a test in this House.

Mr. Roy: We will support the Minister of the Environment.

Mr. Nixon: I must say this because a few days ago I found the money necessary to purchase a copy of George Hutchinson's book Grassy Narrows, which is a very interesting book indeed, well written and with good photographs in it. I am sure that it's a service to the broad community indeed

that this book was published. I noticed there is even a blurb in support of it from the member for York South, who is also extensively quoted from time to time in the book.

Mr. MacDonald: I read it before it was published.

Mr. Lewis: So are you.

Mr. Nixon: Well of course, why not? As a matter of fact he quotes extensively from all sides. One of the things really came back to me as I read the excerpts from Hansard having to do with the original question from our good friend Mr. Burr, the former member for Windsor-Riverside, which even according to Mr. Burr, was a shot in the dark. He asked: "Are you concerned with mercury pollution here? We have been reading about it in Japan and Sweden." The answer from the then Minister of the Environment—was it you?

Mr. Lewis: Yes, it was.

Mr. Nixon: The answer was sort of an indication that we didn't know anything about it but we would look into it and so on. It was from that small beginning. I do not hold a brief for Reed Paper. I don't even know how to spell "Reed."

Mr. Reid: Without an "i."

Mr. Nixon: Without an "i." I am sorry about that.

But I do know that at the time of this original problem there were very few people who felt that industrial mercury itself was a pollutant. I feel the only responsibility must lie with the government of the day. I can recall the present Minister of the Environment in one of his previous incarnations pounding the desk, almost splitting it and saying the polluter must pay. I agree with him, I agree with him wholeheartedly.

Mr. Breithaupt: Like Khrushchev with his shoe on the desk.

[9:15]

Mr. Nixon: Very similar.

I must say there were no scientists—let's say very few scientists—in this province who were prepared to say that mercury in its elemental state was an environmental pollutant of concern. I am sure there were those who worked for Reed Paper and Dow and others who were giving somebody the devil for wasting mercury, because it was an expensive component of their industrial process. But all that does not exonerate the government or the polluters themselves from the effects on the environment and the community as they occur, particularly since further information which has come to us from many sources, including good research right here in Ontario, has indicated the far-reaching and devastating effects of this pollutant. I feel that, to be fair, I must express a personal view in that connection.

Certainly we hope this bill will receive the approval of this House. I don't see anything blocking the acceptance of the amendment that has been referred to by my hon. leader, which is a good one and I think an effective one, and I would hope the government would accept it. This House, in this short session, can move a strong and confident step forward—perhaps not to repairing the damage that has taken place, but seeing to it that the further development of the north is going to be in the best interests of all of the people of this province and primarily those people in the native communities who live in that area.

Mr. Lewis: I don't share, Mr. Speaker, the wealth of memoir material—

Mr. Nixon: You were along. Don't you remember?

Mr. Lewis: —which the barefoot lad from South Dumfries occasionally shares with the Legislature but I do, with him, have the sense that there is a lot about the north that I don't know of yet. For instance, I've never visited Minaki Lodge—

Mr. Nixon: At your reduced salary you may never.

Mr. Lewis: At some point in my political career I hope to achieve that object; as I said the other day, sotto voce, in the dead of night.

I am always glad to be dealing with the Minister of the Environment (Mr. Kerr) on issues such as these, although so much has been given to the Minister of the Environment by way of potential authority in this legislation that one has to worry a little about his precarious position in cabinet. Will it again be a situation of the minister standing against all the rest? I didn't really mind when the Premier (Mr. Davis) levelled him, but it did bother me a little bit when the Minister of Natural Resources (Mr. F. S. Miller) put him to the ground; he is barely half the minister's size, for heaven's sake. One would have wished that the minister would have had at least the girth, if not the pride, to reply. It will be interesting to see what happens in the situation of this bill, and the consequences which flow from it, whether or not the word and influence of the Minister of the Environment can supersede or override that of his colleague, the Minister of Northern Affairs.

I must say in passing, if I may, that the Liberal amendment is indeed an interesting one and, of course, we are considering it in our caucus. The Liberals, with their usual inspired dexterity, have managed to fashion an amendment which on the one hand may not close down the English-Wabigoon system, and on the other hand may defeat the whole inquiry. That takes some doing, to have destroyed both objects at once.

Mr. Nixon: Are you going to vote for it or against it?

Mr. Lewis: However, with our usual charity, we may rescue them. We're not certain yet; we'll take a close look at it.

Mr. Reid: You have a choice.

Mr. Breithaupt: It's your future.

Mr. Lewis: No, just my choice. My future, fortunately, is resolved.

May I say, if I can bring the minister back to it, that the genesis of this whole piece of legislation, as the Minister of the Environment will recall, is the Reed Paper company memorandum. I am sure the minister, as you yourself were, Mr. Speaker, was here in the House on that memorable day when the then Minister of Natural Resources, the about-to-be Minister of Northern Affairs (Mr. Bernier), felt that he had engaged in a brilliant coup by releasing that memorandum at precisely the psychological moment designed to devastate the opposition and the public. With his unerring sense of bad judgement, he didn't recognize what he was unleashing and what a frail and objectionable document that memorandum actually was. He entirely misunderstood, of course, the public response. It's also worth noting, Mr. Speaker, what occurred last night at about 10:25 when the about-to-be Minister of Northern Affairs stood in his place in this House and extolled the virtues of the bill, telling those of us in the opposition parties how it would allow for a careful and thorough review in various stages of this particular project and others, as though it was a creation from the fertile mind of the minister. In fact when the memorandum was first introduced he had no intention whatsoever of permitting the kind of inquiry which has now been forced upon the government.

May I say to the Minister of Agriculture and Food (Mr. W. Newman), if he is unhappy or uncomfortable when I refer to fertile minds and point to him, he need only shift his seat.

As a result of what took place during the course of that period of public outrage we have this bill. It's a good bill, and it's a good amendment, and it's possible to support it comfortably. It speaks, doesn't it, to the needs and priorities of northern Ontario in a way most members of this Legislature have attempted to describe over the years. It clearly, because of the nature of the bill, reflects the acute anxiety which members on this side of the House, and I guess particularly in a way which wasn't always acceptable to members of the Liberal Party certainly, it reflects the anxiety which those of us in the New Democratic Party had about the proposed Reed project.

When my colleague the member for Bellwoods (Mr. McClellan) rose last night and said that he was proud if all that could be salvaged from that last minority period was the fact that we had stopped the Reed Paper company proposal as originally designed and intended—he was proud of that and judged it a sufficient measure of achievement—I agreed with him. If for no other reason, the minority government period was justified on that account, because now we're getting the kind of assessment which opposition voices have pleaded for over the years in terms of the criteria which should be involved in bringing development to the north.

A digression: My mind goes right back to those early days of the Reed Paper company and the debate in this House and all of the tumult and controversy which took place. I think I can talk about this tonight, for obvious reasons. I remember at the time meeting—it was well publicized—with the president of the Reed Paper company. It was within the week or 10 days after the memorandum of agreement had been—as a matter of fact, I had never intervened in such a serene and joyous corporate environment, it was really something to see. I think it was up on the 30th or 35th floor. I have no stock, I want you to relax. As a matter of fact, the president isn't even there any longer. Bob Billingsley has gone on to other pastures, presumably greener than Reed.

I can remember being called into his office, as I'd never been summoned by a corporate president before. It was really a very exhilarating moment for me. I palpitated all the way up the elevator. He took the time to show me around—took me into his private sauna, took me into his private exercise room, showed me the private corporate dining room, the whole—

Mr. Mancini: Are you sure you were discussing politics?

Mr. Lewis: That may have been the point at which my decision was made, precisely.

I'd only been told about it by Stanley Randall and Bob Welch, but then finally I saw it for myself.

Then we sat down together and engaged in one of those confidential tete-à-tetes which we both understood had to be quiet, given the controversy of the time. But Bob Billingsley has left now, no longer with Reed. I have the immunity of the House—and how I cherish immunity these days; what you say in the Legislature can't be held against you, no matter what. So I want to tell you, as the Minister of the Environment, one of the things I learned that night which made me say when I came out of our meeting why I felt even more confident about the position we had taken. After we had toyed and talked about the provincial Tories and the federal Liberals for whom Mr. Billingsley had a particular passion, I finally said to him, "Bob"—because you can understand that while he called me Mr. Lewis, I called him Bob—I said to him, "Bob, why do you need the memorandum? Tell me, really what do you need this memorandum of understanding for?" He said, "Well, we have to be guaranteed that the forests will be ours—that we will get the trees."

I said, "Nonsense, you know that is not real. Nobody else wants them. Nobody else has come to the government. What are you talking about? Tell me, really, what do you need the memorandum for?"

And he said, "Well, we are going to embark on studies, they are costly, we need some kind of security."

I recall myself saying, "No, I don't believe that either because nobody else is entering into studies. Nobody is going to preclude you from the ultimate project just because you are doing some studying." I said, "Look, it is not the end of the world. I assure you that in the midst of all of this I am not going to walk out and say anything about it. Why do you really need the memorandum?"

He said, and the words remain in my mind, "We can take it to Wall Street." And I even remember the company. He mentioned Salomon. I didn't know about Salomon then. I mean Salomon Brothers, as I understand, is the company which has said if we had an NDP government in Ontario they wouldn't even bat an eye; they would assume that our credit rating would improve. And I can appreciate, therefore, their insight.

Interjection.

Mr. Lewis: Does the Treasurer want to interject formally? Does he want to make a speech tonight?

Mr. Speaker: Order. The hon. member will continue.

Hon. Mr. McKeough: No, this is your swan song and it's pretty poor. All this reminiscing doesn't become you. It really doesn't.

Mr. Lewis: As a matter of fact—

Mr. Nixon: Are you upwardly mobile, Darcy?

Mr. Speaker: The hon. member for Scarborough West has the floor.

An hon. member: Who put vinegar in your coffee, Darcy?

Hon. Mr. McKeough: Keep going.

Mr. Lewis: Whatever my last hurrah at least for me the doors are open. For you, my friend, they are closed—

Hon. Mr. McKeough: Where? Where are the doors open?

Mr. Lewis: —and that is the reason for your exercise. But why must we fight, you and I?

Mr. Speaker: Now can we get back to the bill, please?

Mr. Lewis: We are so fond of each other. Why engage in this?

Hon. Mr. McKeough: I have so few opportunities—

Mr. Lewis: Just relax. I hoped somebody would ask me to join their family business.

Hon. Mr. McKeough: Not this one!

An hon. member: Land speculation!

Interjections.

Mr. Lewis: I want to say to the minister through the Speaker, if I may, that Mr. Billingsley and the Reed Paper company understood exactly the meaning of that memorandum. That memorandum for them was negotiable. That memorandum for them held sufficient promise of a likely licence, dependent on whatever series of reviews, that they could use it virtually as collateral. And that is something which we believed throughout the debate on this side of the House, otherwise we saw no point to the memorandum.

I want to say to the minister, through you, Mr. Speaker, that I don't like the province of Ontario acting as an banker for Reed Paper. That is not our role. There is enough notoriety and infamy associated with that company for various reasons—some not of its own making; some, alas, flowing directly from the English-Wabigoon—without our having to engage in the particular negotiations which characterize that episode at that point in time.

It was said by many people that the Reed Paper company was in financial difficulty. And obviously they are. Obviously they are very much in financial difficulty. That is why Mr.

Billingsley has left. That is why one of the other chief executive officers has left. That is why they have revamped the board and Reed Paper has indicated publicly that it had had some financial problems. I don't particularly think we should have entered into a memorandum of understanding which might have been of assistance to the company.

[9:30]

But all of that aside, many other people in the province of Ontario and certainly within both opposition parties had the sense that this whole relationship that the government was entering into would not ultimately benefit the people of northwestern Ontario because it was all drawn up too precipitately, because it didn't have enough safeguards, economic as well as environmental, because it was duplicating patterns of northern development which had existed previously where you mine out the non-renewable resource and leave no economic infrastructure for those struggling little communities—the kind of things to which the minister's colleague from Fort William referred last night. So we pressed, as a great many voices pressed—I don't pretend it was only ourselves—for a much broader inquiry. As a result of the pressure, cumulative and insistent, Mr. Justice Patrick Hartt emerged on the scene.

Hon. Mr. McKeough: Nonsense.

Mr. Lewis: No? Mr. Justice Patrick Hartt just descended from on high?

Hon. Mr. McKeough: Nonsense. Your pressure has never done anything worthwhile in this province, and you know it.

Mr. Speaker: Order, please. The hon. member for Scarborough West.

Mr. Lewis: As a matter of fact, I said quite clearly that our pressure alone did not do it. It was cumulative and irresistible.

Hon. Mr. McKeough: Yes, you are quite right. It was no part of it.

Mr. Lewis: I will tell the Treasurer how we managed it. We managed it by the cumulative pressure of the opposition parties in the legislature, by all of the pressure from the media, from many of the public utterances by public groups together, by the extraordinary inadequacies of the then Minister of Natural Resources and by the important, not to say indispensable, assist of the paranoid apoplexy of the Treasurer himself. That was the turning point.

Hon. Mr. McKeough: Nonsense.

Mr. Lewis: Now, he can relax.

Ms. Gigantes: Give him a megaphone.

Mr. Drea: And you wound up third.

Mr. Warner: Why does the Treasurer show his ignorance?

Ms. Gigantes: Use a megaphone.

Hon. Mr. McKeough: Your rhetoric gets worse.

Mr. Cassidy: The Treasurer must have lost his credit rating tonight.

Mr. Sargent: He has got to go.

Mr. Roy: If there is anything we don't want it is "Frack" Drea saying anything here. You're on the seating plan, "Frack".

Hon. Mr. McKeough: You have always been so modest.

An hon. member: Certainly the Treasurer never is.

Mr. Swart: No one will ever accuse him of that.

Mr. Deputy Speaker: Order, please. The member for Scarborough West has the floor.

Mr. Lewis: I don't want to turn on the Treasurer tonight. I don't think he could handle it. I think he is vulnerable tonight. Therefore, I would like to turn back to the principle of the bill if the Deputy Speaker will permit me.

Hon. Mr. McKeough: It would be awfully nice if you did.

Mr. Lewis: That would be a pleasure, wouldn't it?

Hon. Mr. McKeough: It would be awfully nice.

Mr. Lewis: Then why doesn't the Treasurer be silent for a moment, I ask him respectfully, and I will —

Hon. Mr. McKeough: I wait breathlessly.

Mr. Lewis: Good grief. Isn't it enough that the Tories couldn't win a majority and the premiership isn't open? Is that not enough to induce modesty even into one who is barely mortal?

Hon. Mr. McKeough: It is really hurting you to be sitting where you are instead of over there, eh?

Mr. Lewis: I beg the Deputy Speaker for order; either eject him or silence him—by coercion if possible.

May I turn my remarks back to the Minister of the Environment and remind him that because the Mr. Justice Patrick Hartt inquiry was not originally intended, we now have a broadly based matter under The Environmental Assessment Act which makes for Mr. Justice Hartt a very difficult job. We support him in that job. In a sense in this debate, through all members of the House and through all parties, we speak to Mr. Justice Hartt.

It is obvious that Mr. Justice Hartt will have to look at the kinds of development for

northern Ontario and the tests for that development in northern Ontario, particularly the question of jobs — how they are secured, not only on a temporary basis and not just in the construction of major projects that are capital intensive, therefore requiring very small employment thereafter, but in the long run with the secondary economic infrastructure built into these resource-based communities.

He will have to look at the kinds of developments and at the tests for developments. He must obviously, as so many of my colleagues have said, also look at the native people's position in northern Ontario and particularly the re-negotiation of Treaty No. 9, the implications for the land claims flowing logically from what has been said by the Liberal Party this evening; also perhaps the whole question of the Reed Paper company and the English-Wabigoon, which moves beyond and above the 50th parallel, as well as the whole matter of how to secure the future of northern Ontario. That's really what Mr. Justice Hartt is doing.

Our submission to the minister is that Mr. Justice Hartt therefore shouldn't be preoccupied by too many individual projects, because that would ruin the inquiry. If we refer to Mr. Justice Patrick Hartt, Onakawana and Lake St. Joseph and Polar Gas and all of the other prospective individual projects in addition to the Reed Paper company, he will be so preoccupied by analysing the individual and mammoth undertakings that we will never get a sense of what the north needs in terms of development and the overall tests that should be applicable. So what we are hoping to convey to the minister and with this to Mr. Justice Hartt is that the Reed Paper company should simply be illustrative of the kinds of tests to which development should be subjected in northern Ontario.

Look at the incredible scope of this inquiry which was never even thought of initially. It is an inquiry that covers the northwest and the northeast. It is an inquiry that has absolute and open carte blanche. We cannot hamstring the commissioner by a succession of referrals that will move him or divert him from the main object, which is to secure the future of the north.

Mr. Sargent: We must have deadlines.

Mr. Lewis: I don't mind the setting of deadlines at all, and I'm hoping that Mr. Justice Patrick Hartt will give himself in the initial stages—

Mr. Sargent: Not five years, 18 months.

Mr. Lewis: —eighteen months or two years to finish the first part of it on which government can then act. May I also remind you, Mr. Speaker, that Mr. Justice Patrick Hartt will have to sit down for the first six or eight weeks and decide what he wants to look at, and how he wants to look at it. He sat with us in caucus no more than a week ago and said exactly that. He's commissioner of an inquiry which has been discussed publicly for six months and he still doesn't know how he will now proceed. That's because it is such a massive undertaking, and one can commiserate and understand that. We are all hoping on this side of the House that Mr. Justice Hartt will look at it in those terms and see the Reed company project, if indeed it continues to exist as a viable project, as an illustration only in that context and for those reasons—leaving aside for the moment the Liberal amendment, which will be a matter of fascination at the point at which it comes to this House in committee.

For those reasons and in that context we support with goodwill, with enthusiasm, everything that is set about by this bill. We wish the terms of reference were included in the legislation. We hope if the terms of reference are amended that the minister will bring them back before the House, because I think that is important. But we understand what the problem is; we see the potential for Mr. Justice Hartt; we hope, as the member has interjected many times, there'll be some kind of time limit on it, and finally after 34 years or more, we now have a minority situation sufficiently persistent in Ontario where we can get the kind of tests for northern development that will give to that region of Ontario equality with the south. That's what this bill is all about.

Mr. Roy: Mr. Speaker, I would just like to say a few words on the bill itself and on the amendment as proposed by our leader in his comments. I think, as has been pointed out by many previous speakers, this whole development, in spite of the interjections of the Treasurer, certainly didn't come about by any undue initiative on the part of the government on its own. I think the government will admit that. Certainly there were pressures and it was brought on—in fact it was forced on to the government. But nevertheless it is a very important development for a region that for too long has been taken for granted.

If I may just inject something personal in this whole debate, I had occasion to work at Reed Paper for two summers as a law student, working in the chemical plant there at Reed Paper.

Mr. Sargent: Did you get paid?

Mr. Roy: Sure I got paid and I didn't mind making a profit. I was fortunate enough to have a brother who was a doctor in Dryden and I was staying at my brother's place and working in the chemical plant.

Then as a student—this was 1962, 1963—I used to walk from Reed Paper back home. Apart from having to tolerate the terrible, terrible smell coming out of the chimneys there when the wind was from the wrong side, one used to look at this large pipe gushing out chemicals into the Wabigoon River system. This pipe must have been six feet in diameter, going full shot, 24 hours a day, just gushing this material, orange and yellow and all sorts of colours, into the Wabigoon River system. At that time, as a student, I used to wonder how it was possible to allow that sort of thing to go on. One used to be able to drive along the Wabigoon River system for 20, 30 miles and you could see it was dead, that the whole river system—

Mr. Sargent: Do you have that in Cornwall, George?

Mr. Roy: —had just no life in it.

It's sort of ironic that that having taken place and having experienced that, we are at present debating a piece of legislation that I would hope, in another sort of way, will bring on an emphasis that will not permit the raping of natural resources that we've done in the past—without being unduly harsh on Reed Paper, on the people at that time, or the people in government at that time. There wasn't a perception at that time of the problems that might flow on the long term. Certainly there was no perception of any problem towards the native people who were in the area.

So I think this is an extremely important occasion and I think something that all of us should be proud of.

I may make this comment. I've heard so many laudatory comments towards Mr. Justice Patrick Hartt, about his appointment and the function that he will play in this inquiry. I might say I had the honour and pleasure in the courts of pleading before Mr. Justice Hartt—that was prior to his appointment to the Law Reform Commission. At that time he always had a reputation—and a well-deserved reputation—as one who was extremely sensitive, sensible, and an extremely humane judge and one who was extremely experienced at that time in the criminal field. So I want to support my colleagues and, I think, the choice of Mr. Justice Patrick Hartt was an extremely good choice.

But I do make this comment about it—

Mr. Sargent: He's still a lawyer, though.

Mr. Roy: I still make this comment about it, Mr. Speaker. Well, to my colleague, we're not all bad. Some of us, Eddie, have some conscience at certain times.

Mr. Lewis: Eddie, Liberal lawyers are fine.

Mr. Roy: Yes, especially the Liberal ones. The Liberal lawyers.

Mr. Lewis: Take Vernon Singer, for example.

Mr. Sargent: You can have him.

Mr. Roy: But, Mr. Speaker, if I may say this, I can recall then Mr. Justice Hartt being appointed to the Law Reform Commission. And again, I felt at that time that his appointment by the then Minister of Justice, John Turner, was an excellent choice. So they got into this question of law reform. But I thought the thing that was sad in this whole question of law reform is that here they were taking in briefs and looking at ideas about reforming the law, making it more relevant to the 20th century or to the 1970s, and at that time, unfortunately, they were bypassed by the events. I really felt that was one of the dangers, and it is one of the dangers here, is that as good as the briefs were, as good as the recommendations were, the events had passed them by—

Mr. MacDonald: Don't speak too loudly, you will waken Darcy.

Mr. Roy:—on many of their reforms in the law. You know, this attitude that we felt no criminal was intrinsically bad, that the problem was always with society and therefore the question of punishment became irrelevant and all of this. You recall, and I'm sure the minister will recall, that so many briefs came out of there. I've had occasion to discuss this with Mr. Justice Hartt.

That's what we have to be careful about. I would make these comments and I would say to Mr. Justice Hartt that we must be extremely careful that when we're looking at a problem of this sort—and I agree with, for instance, the leader of the NDP when he talks about when you've got a commission, an inquiry of that scope and a commissioner of that capacity, why limit it to this particular problem. As he said, the Reed Paper problem is part of the overall problems of the north. We might look at it all.

Mr. Sargent: Wind it up. Come on, wind it up.

[9:45]

Mr. Roy: We must be extremely careful, Mr. Speaker, if I may say this, that not too much time is spent that the events bypass

us. It may well happen in this. I talk about some of the comments that I've heard about; my colleague has talked about the taking of five years. That's what may well happen. You get into a situation, you look at certain problems, and some of the things you were looking at five years ago have bypassed you and their relevancy becomes questionable. That's what happened to law reform. I would put that caveat on and suggest to Mr. Justice Hartt that surely it shouldn't take five years to look at this overall problem. Surely the scope and duration of this inquiry should be limited much more than that.

Having made these comments, in no way do I want to be critical of Mr. Justice Patrick Hartt, but I felt sad about this whole law reform thing because back in 1968 when it was first established we were looking at all the changes that could take place but, unfortunately, that's what happened. There were too many briefs, there was too much study and there were too many things going on for years that lost their relevancy. If anybody wants to see all these briefs and all the recommendations that have been made, if they were to be suggested today in 1977, some people would say that they're not relevant and have no significance in today's society. So I would put that caution on it. It should be looked at thoroughly, as I'm sure he will. He should be given the power to have as wide a scope as possible but, on the other hand, there should be a time limit on this. Finally, the amendment that my leader has proposed is a good amendment. I say to the Minister of the Environment as the leader of the NDP said: You were taken on by the Minister of Natural Resources (Mr. F. S. Miller) and lost. I'd hate to see you take on Big Leo.

We're going to support the government on this, if it wants to close up the river system, and we're going to tack it on to this particular bill. We'll support the government on that if that is its feeling. That is our feeling here. That is our position. Surely it's in the concept. It flows from the overall scope that we feel this inquiry should have. It does make sense in the concept we're discussing and in the momentous occasion that this is. Finally, after all this time, after what has happened in the past, this generation is prepared to say: "Hold it. Stop it. Let's look at it thoroughly." One of the things we can do is what is proposed in this amendment.

Mr. Germa: I'm happy to participate for just a few moments in this debate regarding the amendment to The Environmental Assessment Act.

The reference to the 50th parallel in the amendment motivated me to take a look at the map just to understand how much of Ontario is north of the 50th parallel. While the area is very large in expanse, the population in the area is quite sparse. About the only major development north of the 50th parallel, I guess, would be the Canadian National railway as it goes through that area. None of Highway 17, the Trans-Canada Highway, is north of the 50th parallel. What we're talking about is almost virgin territory which, to this point in time, has not been destroyed to the degree that that part of northern Ontario, just a little bit south of the 50th, has been destroyed. It being the area I come from, I am familiar with the destruction that has taken place as the result of the extraction of the resources in that particular part of northern Ontario.

I do understand the wide terms of reference and I can understand Mr. Hartt's predicament in that he, himself, is in a quandary to know just what he will be looking at or what he wants to determine. I'm sure he will be reading these debates. I would suggest to him to get a good perspective of what can happen without his intervention he should take a tour across that part of northern Ontario where the development is, particularly in northeastern Ontario where we have the mining development that has been going on for some 50 or 60 years. He will see we have not had all benefits. Even though we have extracted billions of dollars worth of resources from that particular part of the province the people who live in that area really haven't received the benefits that I think should have accrued to them as the result of their willingness to participate in the affairs of Ontario and extraction of these resources.

If he were to visit Sudbury, for instance, he would very readily see that despite the billions of dollars that have been extracted from the ground there, if the environment had to be replaced we would still be in a deficit position. Because of the destruction that has happened in that particular area as a result of extracting the resource, the value is just not there to replace the forests that have been ruined, the lakes that have been poisoned, the rivers that have been polluted, the destruction to commercial fishing, the destruction of sport fishing. All of these things are what Mr. Justice Hartt would see if he were to travel through that particular area.

If he wants to go back in history, he can look in the debates of this Legislature. I am sure maybe some of the members who have been here a long time will remember the day when the commercial fishermen on the

Spanish River went to the court and got an injunction against the Kalamazoo Vegetable Parchment Company which was running a mill in Espanola, and members will recall that the courts issued a cease and desist order on dumping pollutants into the Spanish River system. What did this government do? They passed the KVP bill which gave Kalamazoo permission to pollute the Spanish River.

Mr. MacDonald: And suspended the court order.

Mr. Germa: Yes, this is how this government has acted; and for the Treasurer (Mr. McKeough) to sit here tonight and try to tell my leader that they were motivated by their own conscience into bringing this amendment in, I just cannot believe it, because the record shows that for the past 30 years they have allowed destruction to go on in northern Ontario which should not and cannot be tolerated any further.

An hon. member: It's shameful.

Mr. Germa: It is shameful, it certainly is. The reason for the inquiry I think, and because we are venturing into new ground what Mr. Hartt will have to do, is to try to devise a method for assessing development to determine just what the benefits and destruction are going to be. After having devised this method, then we can lay that model on any development which comes in the future and we can then make a determination whether in fact this development should go ahead.

We have long lived on the premise in northern Ontario, or the government of the day has lived on the premise, that all you have to do to keep the people in northern Ontario satisfied is to give them a job in the mine or in the pulp mill and they should be happy and satisfied to sit there and live on their wages.

You can readily see, Mr. Speaker, the financial predicaments of all of the towns in northern Ontario, that you just cannot have a viable community on miners' wages or smeltermen's wages or lumberjacks' wages. There just are not those kinds of wages being paid. All of these low-paid jobs just will not support the community. So there has to be a broadening in the type of work, in the higher-paid jobs in northern Ontario, and I hope Mr. Justice Hartt will look at that and take steps to ensure that some of these jobs that have a higher wage rate will be located in the northern part of the province, which in turn will make the community which grows up as a result of the resource development much more viable, because we just cannot live on wages alone.

He is going to have to look at the taxing structure, the municipal tax structure in the northern part of the province, and he will readily see that for the services that we receive we are not getting dollar value as compared with those people in the southern part of the province. We are so far distant from almost anything, culturally or educationally.

He is going to have to look at transportation costs. A case in point is the differential in gasoline prices between the southern part of the province and the northern part of the province. Here we are in the location where the distances are magnified, probably 10 to one with the southern part of the province, and yet the price of energy to move our vehicle has a 10 or 12 per cent increase on the price of it. The climate adversely affects our mileage; it drives up the cost horribly, and I think Mr. Hartt is going to have to look at that aspect of it.

He might make a recommendation, for instance, that this government should move to ameliorate the differential between the price of energy in the northern part of the province and that of the southern part. Oh, I know, the government could come back and tell me, "We've already dealt with that. We are going to sell you a car licence for $10 in northern Ontario, whereas we are going to charge people in the southern part of the province $60," which in their mind will be a $50 gift to the people of Ontario. That might flatten out the transportation cost some small degree, but that doesn't heat my house. Fuel oil costs are equally exorbitant in the northern part of the province, and here we are in that climate having to use more fuel oil.

I'm welcoming this amendment. The development I've seen across that part of northern Ontario which is now developed—Thunder Bay, Sault Ste. Marie, Sudbury, Elliott Lake, North Bay—Mr. Hartt will see destruction like he wouldn't believe exists. In fact, I am sure there are many members in this House who have not seen that kind of destruction. Take a look at what this government allowed to happen in Elliot Lake in the development of the uranium mines. How many dead bodies did we have to pile up around this government before they did some little thing to ameliorate the working conditions in the mines in Elliot Lake? How many silicosis cases, how many lung cancer cases have we brought to the government's attention? Those are the things, too, that Mr. Hartt will be taking into consideration. Certainly, I am happy to support

this bill, and I will lend every assistance to the commissioner in his inquiry.

Mr. Breithaupt: Mr. Speaker, my remarks are only with respect to the procedure concerning how this bill shall come before the House. I understand that on behalf of both the government and of the New Democratic Party they wish some time to consider the amendment which was placed by my leader tonight. Therefore rather than proceed in committee immediately after the passage on second reading, as I presume this bill will get this evening, we would certainly be quite prepared to stand over the committee stage for a day or so as may be required to deal with the matter. That would allow us then to obtain second reading of the bill and perhaps to proceed with the other second reading stages of the Treasury bills as had otherwise been planned. It may be that that approach will be of some convenience to the minister, and we would certainly be more than happy to accommodate in that way.

Mr. Lawlor: Mr. Speaker, just to speak briefly on woodlots in Lakeshore and to show my vast and stunning ignorance of the north. Nevertheless, I think it is important to say, and to give some rather personal perspective on the Hartt inquiry.

First of all, one welcomes Patrick Hartt as a judge who is even somewhat peculiar. We don't have half enough peculiarity in this world. We have to work at eccentricity in order to make the rainbow glow. In his case, his peculiarity consists of the fact that he happens to be a highly imaginative and visionary judge. He proved it in the Law Reform Commission work, which was always searching, which was totally in contradistinction to the type of work, valid as it is and relevant as it was, of the Ontario Law Reform Commission. That was a sort of empirical, concrete, hardnosed, down-to-earth, humdrum, even vulgar form of exercise. Hartt took off on occasion and showed the law as it might be 25 years from now, not what it would be the day after tomorrow. I would trust the same kind of mentality would prevail in the work that he would do in northern Ontario.

[10:00]

The terms of reference have been cast extremely broad. That suits him, in my opinion, down to the ground, that's what he needs. He needs elbow room in which to move. He's going to hire a first-rate staff, scientists; that is already under way.

They are at the present moment short of funds, I believe. In other words, we haven't passed the legislation and therefore you can't requisition the cash with which to send the thing into operation, so it stands in limbo or in some kind of abeyance at the present; and that's a great shame, because these people that they wish to pull in to the research staff to start those gears turning are highly elusive people. They're in great demand, they are very rare and they could be easily lost; and every day lost with the calling of the election has placed this inquiry all by itself in some degree of jeopardy.

Mr. Justice Hartt and his team will have vast resources in terms of studies that will give them the basic, at-their-fingertips wherewithal to begin to ferret out and to search out the lines of guidance. I mean down through the years that I've been here in this House there must have been, I think 10 to 12 studies in the field of forestry alone—some of them done through the ministry itself which, believe it or not, were critical of the operations of the ministry in this regard. So this all lies at his fingertips.

The second element of this thing is the consideration of our north. The possibilities, the fecundity, the explorable and exploitable materials of the north haven't even really begun to be touched. Those vast forests, if they were properly managed, which they have not been, are our single most valuable resource. I'm told that 62 million cunits will be necessary in 1980, and we're going to fall two or three million short of that even as things stand at present.

The demands for paper, for plywood and for pulp products are going to be very great. I understand, and I would give assent to the work that Hartt would do beyond the pedestrian intent of mapping our resources and things. My feeling is he should explore from the forest resources in terms of R and D, research and development potential, with the kind of people he can pull into this thing, the future chemical and technological capabilities, not of metals but particularly of the woods.

I'm told that out of the woods can be generated additives to gasoline which may very greatly assist in our energy development. The possibilities that are only beginning to be touched with respect to the components in wood in the way of supplying substitutes for energy in all its forms, including hydro energy, are an immense potential lying there for us to use, but no particular direction is being given to it. Again within the terms of the Hartt inquiry, this would be very much anticipated and extremely welcomed.

It is on those lines and with that kind of thought involved, that I would indicate, as far as I am concerned to this House, that the pivotal point at which he should enter his

inquiry would be precisely around the Reed Paper business—around forestry, Reed being symbolic of that—and whatever conclusions are reached there will have effect on and will influence very greatly whatever other recommendations he makes in that particular area across the whole province of course. But since that is what precipitated the thing to start with, I think that would be the single best point to enter into the inquiry.

From that central core will flow a whole host of things: whether certain river systems should be reversed because of the impact they will have on the forest; the native peoples and their lives vis-à-vis the life of the forest; and the animals in there and the habitat. We all think a little in parallel terms with Berger and Hartt. I would like Mr. Justice Hartt to place the native people in the environment and to take into the future of our interrelationship with the woods and with the north. We too are part of nature and not some kind of removed suzerains, simply there to torture and exploit what we can get out of it without considering what are the effects upon our own temperaments and, therefore, upon the forest resources and upon the mineral wealth of the province flowing from that.

I think within that environmental and conservationist context he can work out the whole concepts of multiple use with respect to the forest and with respect to the harvesting of the forest. From that again, there are fishery resources there, and he can give recommendations. So, without prolonging this statement, out of that pivot, out of that central core of stressing Reed Paper, all the rest will flow. Therefore, he can make an interim report touching the Reed interests at a very early date, a reasonably early date, and all the rest will flow out of here by a kind of natural accretion as time goes off and the whole great picture begins to emerge. That would be the best tack to take.

Another thing he just might do is consider adopting a policy with respect to mineral resources and the holding of land in this area analagous to or identical with the way in which forests are held on the leasehold basis. Our minds ought not to go off in fee simple holdings. They should be on a lease situation for periods of time, et cetera, so that the public interest is protected with respect to that particular form of exploitation and the whole thing is not turned over to private interests as tends to be the case.

These are some of the things that might be done in the area of this inquiry, and I would sincerely ask him to take a look at the woodlots in Lakeshore.

Hon. Mr. Kerr: There were a number of points raised by various speakers last evening and this evening dealing with this amendment. One of the points that was raised by a number of speakers last night was the question of whether or not this whole matter should have proceeded under The Public Inquiries Act or by way of the amendment that we are discussing now. I think the consensus from each of those speakers as they wound up their remarks was that the protection and the provisions of this amendment not only include many of the provisions of The Public Inquiries Act, but in fact go further.

For example, under The Public Inquiries Act a person or somebody appearing must have a substantial and direct interest in the subject matter of the inquiry. Here, if a person has an interest in furthering the purpose of the inquiry, he is considered to have an interest. I think this was the result of some of the discussions between Mr. Justice Hartt and the members of the opposition caucus.

Another point was made, and I don't want to dwell too long on this nor do I want to give anybody the wrong impression. Last night particularly suggestions were made that without the opposition of some of the members opposite to the Reed project, it would have gone ahead without an environmental assessment, and without any hearings. That is wrong.

Mr. Lewis: No, without this kind of environmental assessment.

Hon. Mr. Kerr: No, there is no question that it is quite possible that this type of inquiry we are discussing in this amendment would not have taken place. All I'm asking is, don't underestimate The Environmental Assessment Act, because there would have had to be a complete environmental impact study, a complete forest inventory and all the necessary approvals that come from an environmental assessment from my ministry and some other ministries. So the memorandum of understanding provided that, and I had some hand in that to make sure there was a complete application of The Environmental Assessment Act before this project went ahead.

Another point, which is important if there is any question about the terms of that memorandum, is that it gives the government the power to cancel the agreement at any time if the company does not live up to the conditions. When there was any conflict, for example, between the memorandum and The Environmental Assessment Act, the Act and the regulations would be paramount.

The member for Nipissing (Mr. Bolan) mentioned last night that the company had provided an environmental impact study and said this was like having a wolf guard the chicken coop or something to that effect. The fact is that under The Environmental Assessment Act the companies commission the study and hire the consultants. They have to undertake the study, provide the study, pay the expense of the study and satisfy my ministry. If the study isn't complete, if it doesn't include all the environmental ramifications of the project, we send it back and say, "Improve it. It should be broader. We want more information."

This is really one of the integral parts of the provisions of The Environmental Assessment Act and, when one thinks about it, our little ministry couldn't be expected to do all those impact studies for all those private projects which may take place from time to time in the future.

The other point that was raised by some of the members opposite was that they hoped the inquiry would develop a blueprint for the north. There were expressions by three or four different members that it would develop an economic plan for northern development and that it would develop guidelines for development in northern Ontario. I would expect, in view of the very broad terms of reference and the powers given to the commission, that certainly that would be the result of any hearings and deliberations.

We are talking, I would think, about two years of hearings; we are talking about the whole area north of the 50th parallel, and we are talking about a very broad definition of environment as provided in The Environmental Assessment Act, which of course applies to this amendment. I would think also, as the hon. member for one of the Sudbury ridings mentioned, that there would be a spillover. It wouldn't apply strictly to north of the 50th parallel; projects just below or generally in northern Ontario having the same effect, for example, as the building of a sawmill or pulp mill would have, would also be the type of thing which would be affected by any guidelines or recommendations coming out of the Hartt inquiry. Therefore, I would suggest that the commission will provide guidelines for northern Ontario.

Mr. Reid: Does the minister see that as a main purpose?

Hon. Mr. Kerr: Yes, if the hon. member looks at the order-in-council itself, it talks about development north of the 50th parallel and the harvesting, supply and use of timber resources in the territorial districts of Kenora-Patricia Portion and Thunder Bay; proposals for mining, milling, smelting, oil and gas extraction, hydro-electric development, nuclear power development, water use, tourism and recreation, transportation, communications or pipelines.

[10:15]

Then it goes down into the second paragraph here, which really sets the senario in my opinion: "To inquire into methods that should be used in the future to assess and evaluate the effects on the environment of major enterprises in that part of Ontario that is north, or generally north, of the 50th parallel of north latitude." So I think Reed is only part really of what is in store for the commissioner and the inquiry.

We discussed on a number of occasions the question of time. Some members, as the hon. member for Riverdale (Mr. Renwick) indicated, were anxious that it would take too long. The hon. member for Riverdale said there is no reason the commissioner shouldn't have all the time he wants, because in fact the bill, the legislation itself, provides for interim reports and interim recommendations.

I should remind the hon. members that as set out in the compendium that grand council Treaty No. 9, asked that there be no limit on the length of time given for presentations to the inquiry. If the commission deals firstly, for example, with the Reed proposal, certainly the term of reference authorizes interim reports as I say and it's going to take at least 18 months for this forest inventory that we've talked about. We still have to have a complete environmental impact study. So I would expect that the hearing itself and the amendment that we're discussing here tonight would not in fact delay the Reed project, assuming it would go ahead after a proper environmental assessment under the provisions of the Act.

I expect that the order in council could be signed immediately after this bill is approved by the Legislature and the commissioner would be prepared to go and that hearings would start early this fall. The commissioner, as you know, has the power to decide what projects should be referred to him and also the government has the power to refer particular projects to the commissioner. So there is no reason why all development in the north should come to a halt. Not all projects would be considered major projects under the provisions of the order in council, or major enterprises that would come under the terms of the Act.

As far as time is concerned I would think that the passage of this bill and this amendment and the projected hearings by the commissioner, regardless of how long he may want to take, will not in fact slow down development in the north.

The hon. member for Hamilton West (Mr. S. Smith) talked about winning back the confidence of the people. I first want to remind the hon. member that certainly there was never any intention to hide this proposed project—and I'm talking about the Reed project. It was announced in the Speech from the Throne. It was made public at that time; I believe it was in the spring of 1974. Certainly now the native people are completely satisfied with the form that this inquiry will take, with the terms of reference and, most particularly, with the commissioner himself.

Mr. Lewis: True, but only after a lot of pressure on them.

Hon. Mr. Kerr: I don't think there was any discussion or difference of opinion as far as the commissioner was concerned.

Mr. Lewis: Not the commissioner, but the whole process.

Hon. Mr. Kerr: And I don't think there was that much arm-twisting as far as considering a broad inquiry goes.

Mr. Lewis: Oh, come on.

Hon. Mr. Kerr: No.

Mr. Reid: You were a reluctant bridegroom.

Mr. Conway: What happened to the member for Kenora (Mr. Bernier)?

Mr. Lewis: You don't have to do this. You don't have to take the rap for the member for Kenora.

Hon. Mr. Kerr: I would remind the hon. members that the private sector was brought under the provisions of The Environmental Assessment Act last December—

Mr. Lewis: Right.

Hon. Mr. Kerr: —by way of order in council and that the Reed project at the same time by way of regulation was brought under the provision of The Environmental Assessment Act.

Mr. Lewis: But for two years the member for Kenora negotiated in private.

Hon. Mr. Kerr: Well, there has to be preliminary negotiation. There has to be.

Mr. Conway: Who did Leo go to anyway?

Hon. Mr. Kerr: Certainly this inquiry could not have gone ahead—the terms of reference, the material we have before us tonight could not have been dealt with and discussed by us without the confidence and the support of Treaty No. 9 leaders and of course they are anxious that the matter go ahead.

I would suggest that the Hartt inquiry can deal with and comment on the whole situation in northwestern Ontario, including the social, cultural and economic conditions in the north as they apply to the native people at the present time. There's nothing to inhibit the commissioner from taking all that into consideration, in view of the very broad terms of reference.

The hon. members for Riverdale and Scarborough West discussed generally the purpose of the inquiry, suggested that, in so many words, don't let Reed monopolize the whole purpose of the inquiry, and that the commissioner himself at this time, on the eve of getting hearings under way and discussing northwestern Ontario—the people, the culture, the development, the future—should not have tunnel vision as far as one large commercial project is concerned.

Also, the member for Scarborough West said the commissioner should not be preoccupied with too many small projects, and urged that he have the power to issue interim reports, the power to make interim recommendations, but at the same time doesn't lose sight of what will happen down the road as a result of the future of the north, the lifestyle of the north, and the development that might take place in that area.

Again, I could refer to the order-in-council, but we don't intend to hamstring the commission with numerous projects. He has the power to accept and reject, as well as the government. I can't help but feel—this may sound contradictory, but when you have a project as large as Reed, and are dealing with so many ramifications of the development of the north, the woodlot, the mill, the servicing, the townsite, pollution control, air emissions, the whole aspect of a development of that size—it will cover a great deal of the concern of commercial development in the north.

So I'm hoping, of course, that this amendment, which is a good amendment and has the general acceptance of this House, will go ahead as it is so that the inquiry can get underway as soon as possible.

Motion agreed to.

Ordered for committee of the whole House.

Mr. Deputy Speaker: The member for Hamilton East gave notice that he was dissatisfied with an answer given during the question period by the Minister of Labour. According to section 28(a) of the standing orders, I deem a motion to adjourn to have been made. Each member will now have five

minutes to discuss the question, and I would call on the member for Hamilton East.

MINIMUM WAGE

Mr. Mackenzie. Mr. Speaker, this afternoon I asked the Minister of Labour a straightforward question of, I think, some importance. It's a long time since there's been an increase in the minimum wage in Ontario. Inflation has certainly bitten in rather cruelly into those on low incomes.

Ontario, as of July 1, will probably have the lowest minimum wage in Canada with the exception of Newfoundland and PEI. Interesting. The richest province and almost the poorest minimum wage in the country.

My question was, I think, a straightforward one and to quote it exactly: "Would the minister tell the House when workers can expect an increase in the minimum wage in the province of Ontario, which is currently one of the lowest in Canada, and can the minister assure the House that waitresses will not be discriminated against by way of a lower rate than those of other workers?" The question couldn't be any clearer and is really not out of line with the position the minister herself is reputed to have made in a cabinet submission on September 24, 1976. That question outlined the problem, and I quote from that submission:

"Page 1: Wages and prices have continued to increase since the $2.65 per hour minimum rate was introduced on March 15, 1976. By January, 1977, the ratio of the minimum wage to average hourly earnings in manufacturing will be lower than at the time of the two previous revisions. Also the purchasing power of the current minimum wage has continued to decline at the rate of about seven per cent a year."

It went on to say under a heading of change in wage rates: "To restore the minimum to 46 per cent of average hourly earnings in manufacturing would require an increase of 25 to 30 cents"—that's up to $2.95 an hour—"by January and 30 to 35 cents by February 1977."

It goes on further on page six of that submission to talk about the fact "that rates of pay of up to $3.50 per hour are exempt from the guidelines and, therefore, would not have any impact on Ontario's minimum wage except to the extent that the exemption creates a pressure to raise the minimum to the $3.50 per hour level."

What was the minister's reply? I want to quote directly from the Instant Hansard.

Mr. Lupusella: You've got a big mouth.

Hon. B. Stephenson: About the same as yours.

Mr. Mackenzie: She said: "If the hon. member is suggesting that we shall move to the level suggested by his leader during the election"—and then after a couple of interjections—"I can tell him that, as soon as the productivity of every single individual in this province improves to an equitable level, we'll be pleased to do so, particularly with the productivity of the members of the House."

Mr. Cassidy: Shame! The minister is a real disappointment. She came in with such credentials and she has blown them.

Mr. Mackenzie: That was no answer at all. I went back and read her speech to some management-labour people in London on June 3. I would have thought that she would have got rid of all her venom in that particular speech when she accused our leader of playing the fool over the minimum wage question. I suggest that somebody else has been playing the fool regularly in the House on this.

Hon. B. Stephenson: Oh, that is an absolute falsehood.

Mr. Deans: I beg your pardon, Mr. Speaker.

Mr. Mackenzie: It's simply the reaction—

Mr. Deans: Withdraw.

Hon. B. Stephenson: I will withdraw the word "falsehood," Mr. Speaker, but that is not what I said.

Mr. Deputy Speaker: I understand the minister has withdrawn that word.

Mr. Mackenzie: Mr. Speaker, I don't want time taken out of my period here. I could read the quote from her speech but we can all get it. I have it in front of me. The minister went on then to prattle about productivity. While this also had nothing to do whatsoever with the question I'd asked, it was, nevertheless, also totally phoney. I went to Statistics Canada and dug out some of the productivity per manhour work figures and Ontario was probably the best in Canada.

I read with interest a remark of one of her own cabinet colleagues, the Minister for Industry and Tourism (Mr. Bennett), in a submission in Ontario Business News. He said: "It is quite evident that our plant productivity level is at least equal to that of any other North American area."

Mr. Cassidy: That's right.

Mr. Germa: Why do you downgrade the working class? Aristocrat!

Hon. B. Stephenson: Oh, really.

Mr. Lupusella: That's why she will never understand.

Mr. Mackenzie: She questions productivity of members of this House. That also has no connection whatsoever with the question that I asked in the House. I think most of the members of this House should be respected for the efforts they've put into it. Most of us don't have a wealthy practice to back us up.

Hon. B. Stephenson: A what?

Mr. Lewis: A wealthy practice.

Hon. B. Stephenson: I don't have a practice any more.

Mr. Mackenzie: My understanding of questions in this House, is that, as long as they're honest and straightforward, they deserve an answer. They don't deserve disrespect, they don't deserve arrogance and they don't deserve smart-alec replies, which is what we're continually getting from this minister. I find it repugnant.

Hon. B. Stephenson: It pains me to see the members of the third party as hypersensitive as they are this evening.

Interjections.

Mr. Deans: We are pained by you continually.

Hon. B. Stephenson: The question which was raised this afternoon was a straightforward question. It was unfortunate that the interjections at my slight attempts of humour were such and the vocal responses so noisy that they inhibited any further response on my part.

Mr. McClellan: Very slight.

Hon. B. Stephenson: I was at the point of standing to answer again when the Speaker was standing constantly, attempting to quell the roar that was occurring from the benches across the floor.

Mr. Lupusella: That is your practice.

Hon. B. Stephenson: However, the minimum wage is a matter of great concern to me as the Minister of Labour. It has been a matter of concern and it continues to be a matter of concern, particularly when there are—

Mr. Cassidy: We noticed that yesterday.

[10:30]

Hon. B. Stephenson: —a number of eminent economists and sociologists and other experts in the field who are continuously at this time telling us that the minimum wage is an inappropriate mechanism for redistribution of wealth. I think it is a mechanism which we have in place at this time. It is not one that I think that we can destroy or that we can do away with.

There has been a great deal of work done on the minimum wage in the province of Ontario. A good deal of research goes into any revision of the minimum wage and that research is at the moment ongoing.

Mr. MacDonald: That is obfuscation.

Mr. Cassidy: You have had a year and a half to do that.

Hon. B. Stephenson: Yesterday there was a very good meeting and a very fruitful meeting—Mr. Speaker, it would be interesting at times if the members across the floor were to listen to what was being said so that indeed there might be some understanding of what it is we are trying to do.

Mr. MacDonald: We are, unless you provoke us.

Mr. Mackenzie: When are you going to start answering?

Hon. B. Stephenson: Yesterday there was a very fruitful meeting that was held with an association of women who work as waitresses in various establishments. They made some excellent recommendations that I think are very useful and which we are going to be considering very seriously.

Mr. Deans: When?

Hon. B. Stephenson: Immediately, as we always do.

Mr. MacDonald: Sit on it.

Hon. B. Stephenson: And, indeed, they also made some suggestions for hearings which I think would be of a great deal of help in clarifying the problems that seem to be associated with this very contentious issue of the minimum wage.

Mr. Cassidy: Always tomorrow, never today.

Hon. B. Stephenson: The minimum wage in the province of Ontario, as I have said before, applies to seven per cent of the working population of this province. It does have an effect on all other wages, particularly those wages of the non-unionized group within the province of Ontario. I think we must be extremely careful that, in moving the minimum wage, we do not minimize job opportunities for the working people of this province, nor that we produce any great hazard to the amounts of money which employers are required to pay and still attempt to remain competitive in this province.

Mr. Cassidy: No action, just a statement.

Hon. B. Stephenson: We are in the process of finalizing the research on revision of the minimum wage this year. I would hope that in the not too distant future we

shall be able to make some statement in this House regarding this, but I hope before that time that we will have an opportunity to hear from both employers and employees about problems related to the minimum wage, which I think have not been explored as thoroughly as they should be.

Mr. Bounsall: Your research is done the other way.

Mr. Cassidy: Speak to people living on the wage.

Hon. B. Stephenson: The minimum wage in the province of Ontario is at the present time one of the lowest in the country, but it does indeed have a different component. The group to which the minimum wage applies has different constituents than the groups to which it applies in other provinces and other jurisdictions in this country. There are other considerations.

Mr. Deans: They are people having to live in this society.

Mr. Cassidy: Higher living costs too.

Mr. Bounsall: Gas bills.

Mr. Deans: Do they get special prices?

Hon. B. Stephenson: There are many other considerations that must indeed come to mind in any examination of the minimum wage and it is my intention to move as rapidly as possible to ensure that the minimum wage in this province provides people with an adequate income to provide the necessities of life and that it will not in any way inhibit the growth of job opportunities for people in the province of Ontario.

Interjections.

Mr. Lewis: Mr. Speaker, I rise on a point of personal privilege.

During the exchange which took place, my colleague from Hamilton East said that in a speech on Friday, June 3, 1977, the Minister of Labour had said I played the fool. The Minister of Labour responded angrily that that was "an absolute falsehood," and when challenged, said she would withdraw the use of the term "falsehood."

On page five of her speech on Friday, June 3, 1977, having just asked how many jobs would be lost if our minimum wage proposal would be introduced and not being able to estimate it, she said: "Perhaps the wise Mr. Lewis can. Speaking of wisdom, it is proverbial that a wise man knows how to play the fool on occasion. Mr. Lewis has proven his wisdom again."

In other words, what my colleague from Hamilton East said was absolutely and entirely accurate.

We don't want to have to follow the minister with a truth squad in this province—

Mr. McClellan: Or in this House.

Mr. Lewis: —but sometimes she forces us to.

My integrity having been saved again, I thank you for allowing me the privilege, Mr. Speaker.

Hon. B. Stephenson: Mr. Speaker, I rise on a point of personal privilege. I consider it completely flattering that the members of the third party read every single word of all of my speeches, and I apologize that I had forgotten that I had used that phrase.

Mr. Cassidy: You have been guilty of this before.

Hon. B. Stephenson: I consider it absolutely flattering.

Mr. MacDonald: Your words were quoted to you to catch you up in your false denials.

Mr. Eaton: The minister's was a pretty accurate statement.

Mr. Lewis: We are watching you like proverbial hawks.

Hon. B. Stephenson: Yes, you are, indeed.

Mr. Deputy Speaker: I deem the motion to adjourn to be carried.

The House adjourned at 10:35 p.m.

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First Session, 31st Parliament
Wednesday, June 29, 1977
Afternoon Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

Mr. Nixon: No ministry. They're all in the back row. There are going to be some quick promotions, boys.

ORAL QUESTIONS

PLANNING ACT REVIEW

Mr. S. Smith: I'll ask a question of the government House leader, Mr. Speaker, in what I should like to be the recorded absence of the Minister of Housing (Mr. Rhodes), the Premier (Mr. Davis) and the Attorney General (Mr. McMurtry); that is, in view of the fact that the Comay report on The Planning Act has confirmed so many of the criticisms this party has made regarding the delays and the high costs that result from these current planning processes, can he explain why his government does not seem to intend to take immediate action to expedite the subdivision approval process, curtail the powers of the Ontario Municipal Board and eliminate unnecessary OMB hearings?

Hon. Mr. Welch: I am sure, Mr. Speaker, the hon. member will realize that matter should be referred to the Minister of Housing. May I say, however, while I am on my feet, the Premier is at the Destiny Canada conference this afternoon to fulfil some responsibilities which he had agreed to some time ago. The Attorney General is in Ottawa with the Minister of Justice at a conference of the Attorneys General. I don't know but I expect the Minister of Housing will be here before the end of the question period, and perhaps that question could be directed to him at that time.

Mr. Speaker: I will give the hon. Leader of the Opposition a chance to place his question again if the minister shows.

REFORESTATION

Mr. S. Smith: I will ask a question of the Minister of Natural Resources, who has just joined us.

I wonder if the minister can clarify and provide a little more detail regarding the famous promise in the charter, the promise to replace at least two trees for every one harvested. I am wondering if the minister is going to explain to us exactly how that is going to be accomplished in view of his previous statement—and I quote—"I thought we knew how to replant trees. We don't," and in view of the government's own report called Forest Management in Ontario 1976, which states: "It is a common myth that every acre logged should be regenerated; ideally this may be desirable but the reality is that in an extensively forested area such as Ontario it is not economically feasible."

Can he explain who was contacted with regard to this two-for-one plan and exactly how is it going to be accomplished?

Mr. Breithaupt: It is a good merchandising gimmick.

Hon. F. S. Miller: It is not a merchandising gimmick.

Mr. Nixon: It is.

Hon. F. S. Miller: As a matter of fact, two for one is perhaps a conservative estimate of the number of trees—

Interjections.

Mr. Roy: Is it ever conservative in view of your record!

Hon. F. S. Miller: In any case it is a conservative fact now.

An hon. member: That means it is not a fact.

Hon. F. S. Miller: When one cuts mature forests, obviously the spacing and size of the trees is such that there is a lot of room once you have cleared the forest out for the planting of a lot more trees than you cut. It is as simple as that. When we plant open country, open fields properly, the normal planting procedure I am told is one tree every six feet in a grid system. Throughout the growth of those trees you would harvest or cull, whatever you want to call it, a goodly number of the smaller trees as they grow, to permit the larger trees or the growth of trees to a more mature state. I forget the exact number but it is something

like 1,500 trees per acre, I believe, that a six-by-six planting pattern will give you.

Mr. Lewis: Be careful.

Hon. F. S. Miller: The member can work it out if he wants to: 46,000 square feet divided by 36. That is not bad. I think it is about 1,270 trees per acre that one would plant.

Mr. Reid: Depending on the species.

Hon. F. S. Miller: One would not harvest at maturity anywhere near that, but you would cut at intervals—I believe 25 years is the first cut if I am not wrong. Is it not?

Mr. Lewis: Oh come on—25 years! Forty to 60.

Hon. F. S. Miller: I mean for the first thinning of the trees.

Mr. Reid: You don't do any thinning. That's the problem.

Hon. F. S. Miller: I was looking across at the member for Rainy River, who knows all about trees.

Mr. Reid: They all voted, though.

Hon. F. S. Miller: That's the only way you would get in. Young saplings vote for you.

Mr. Reid: Some older ones too.

Hon. F. S. Miller: You said it. However, the fact remains that in serious reforestation or regeneration obviously you would be planting more seedlings than you were harvesting as mature trees.

The second part to which the member referred was the question of all acres being planted and the report saying that some weren't suitable for replanting. That is true. The fact is they probably weren't suitable for cutting if they weren't suitable for replanting. This is where management plans will come into effect and in some cases stop the cutting on certain fragile soils that should not be regenerated.

Mr. S. Smith: A supplementary: Since it seems to be a recent inspiration, which the minister did not share with the House prior to the dissolution of the last Legislature, to plant two trees for every one, at the time when he was saying he didn't know how to plant them, how much money is the government planning to spend on this marvellous new reforestation program, and when can we expect to see the budget?

Hon. F. S. Miller: First of all, you very selectively chose some of my comment. You too must have just got The Forest Scene.

Mr. Nixon: You didn't say these things?

Hon. F. S. Miller: Sure, I did. But they are all there, along with your interjections and some comments by the member for Rainy River and a few other people.

Mr. Nixon: Well, they should all be there.

Hon. F. S. Miller: It was printed this week in The Forest Scene that I just got, and which you have got.

Mr. Roy: You are always limited in the question period, you know.

Hon. F. S. Miller: I said that many people shared some of the beliefs I had about the planting of trees before I became minister. Many people simply believed that all you had to do was take a lot of young people and put them out in the bush with equipment and you would have a massive regeneration program. But, in fact, that—

Mr. S. Smith: You are saying two for one. I didn't suggest it.

Hon. F. S. Miller: I'm just pointing out that I said these things earlier.

Mrs. Campbell: When you did know what you were talking about.

Hon. F. S. Miller: Oh no. With great respect, I always know what I'm talking about, even if I can't impart it to some of you who can't understand what I'm talking about.

Mr. Nixon: Back to the two for one.

Hon. F. S. Miller: No, it wasn't the two-for-one bit—

Mr. S. Smith: How much money will be spent?

Hon. F. S. Miller: We will spend whatever money is required. One of the reasons I was delighted to see the statement in the charter that we would, in fact, put as a priority—

Mr. Lewis: It was a surprise to you, too?

Mr. Gaunt: You were surprised to see it?

Hon. F. S. Miller: I saw the charter when you did. But I had an input into it, which was different.

Mr. Reid: It must have been as Minister of Health because—

Mr. S. Smith: You took his picture.

Mr. Speaker: Will the hon. minister just answer this one question, please, not the interjections?

Mr. Sweeney: There aren't enough ministers there. He has got to fill up the time.

Hon. F. S. Miller: You've misled me; you've misguided me at this point. I'm being flustered.

Interjection.

Hon. F. S. Miller: We will be putting the money in as we create the ability to produce the seedlings, produce the seed, have the nurseries built up, so that we can increase our overall regeneration policy. Those things will be done. I would estimate that the figure of $65 million a year is reasonable. I think that is one of the figures in the report. It will probably take us two or three years to be spending at that rate. But as far as I am concerned, our highest priority is to improve the overall regeneration of the forests of Ontario beyond their already quite good levels.

Mr. Lewis: Supplementary.

Mr. Reid: Supplementary.

Mr. Speaker: We will allow one more supplementary. The member for Scarborough West.

Mr. S. Smith: A supplementary from the member for Rainy River—

Mr. Speaker: Well, we've spent almost 10 minutes now with the interjections. It seems to me there were quite a few answered, and wrongly, of course. But it was a rather relaxing question. The hon. member for Scarborough West.

Mr. Lewis: What has happened to the minister's announced intention of turning back to various private companies the actual forest regeneration; with whom have the negotiations been completed; and when will we hear precisely what he intends?

Hon. F. S. Miller: It's safe to say that the negotiations have not been completed with any company. It is also safe to say that we appointed the executive director of forests to that specific task. He is to work on it from now till whatever date the task is complete—some 18 months we would expect it to take—to work out the changes in charges the ministry makes, to work out the details and the standards for the agreements with these companies as to how they should go about the regeneration programs.

Not all lands in the province will be handled by private regeneration. I tried to make that clear during the election campaign.

There are those forests which the province will have to maintain the regeneration on, because we want to have licences available for smaller operators in the province. But we feel that major companies will be involved in the regeneration process in the future. Details following the suggestions of Armson are being worked upon right now by Mr. Lockwood.

Mr. Reid: Supplementary, Mr. Speaker.

Mr. Speaker: Order, please. We've now spent 10 minutes on this. The first question the Leader of the Opposition had really wasn't a proper question because there was nobody to ask it of, we are going to give him the opportunity to come back at it later. I think we've spent enough time on this question. We can come back to this question later. I think we will go to the hon. member for Scarborough West with his first two questions.

Mr. Roy: We haven't even had one supplementary.

Mr. Speaker: Well, there were several interjections which were answered.

Mr. Deans: Sit down. The Speaker is in charge here.

[2:15]

Mr. Speaker: Order, please. I think in order to keep the question period going along and to give everyone an opportunity to ask questions, we have spent enough time on the first lead-off question.

CCAS DISPUTE

Mr. Lewis: May I ask the Minister of Labour the following question: What is the ministry doing in the very unhappy strike that is now occurring between Focus, the organization representing social workers and child-care workers at the Catholic Children's Aid Society of Metropolitan Toronto, and the society?

Hon. B. Stephenson: Mr. Speaker, I'm aware that there have been active communications between the staff of the ministry and both parties in an attempt to get both parties back together. I am not aware that there is any meeting right at the moment as a matter of fact, but I shall check on that and let the member know.

Mr. Lewis: By way of supplementary, can the minister indicate whether in fact it is valid that a senior member of the ministry has been informed that management in truth did unilaterally change the term of the contract, and that in fact this is a fairly clear-cut case of management violation of a contract originally agreed upon, and that therefore it would be a very easy labour dispute to bring to a conclusion and that that is now understood within the ministry with those involved in the strike conciliation process?

Hon. B. Stephenson: To my knowledge that is not known as fact within the ministry at this time. The first information that we had was that indeed this had been an error, that each party thought they were signing the correct document but the documents were not

dated the same. If there has been new information about this in the last day or so I have not heard it. That I shall explore as well.

Mr. Mackenzie: Supplementary: Is it not usual practice that when a new agreement is signed it is dated as of the date of the expiry of the old agreement, and is that not the understanding that is held by some of the conciliation or mediation services people?

Hon. B. Stephenson: Yes, that is generally so; it is not universally so.

MACKENZIE VALLEY PIPELINE

Mr. Lewis: A question of the Minister of Energy if I may: Can he indicate to the House where he now stands on the Mackenzie Valley pipeline, after the Berger commission has made its report?

Hon. J. A. Taylor: The ministry did not take a position, contrary to some of the information that might have flowed from some of the member's supporters, in connection with support of a pipeline. We had a representative there, but not in regard to or in terms of supporting a particular pipeline or location.

Mr. Lewis: I don't really want to get into this, but is the minister denying that he tabled in the Legislature a document which asked for the building of that pipeline as quickly as possible, subject to whatever environmental matters were involved? The minister is denying that he tabled that and it was contained in a recommendation?

Hon. J. A. Taylor: That may have been the member's interpretation of that document, but it certainly wasn't my intention nor interpretation to support any particular—

Mr. Lewis: Did the minister read the document before he tabled it?

Hon. J. A. Taylor: Absolutely. Would the member like to quote it and I'd be happy to debate it with him?

Mr. Lewis: I haven't got it with me.

Hon. J. A. Taylor: Please do and I'll explain it to him.

Mr. Peterson: Supplementary: Is it the minister's intention to reintroduce his rate-raising bill with respect to pipelines of this nature? The second part of my supplementary is, with the introduction of that bill, was support of that pipeline at that point not implicit in there?

Hon. J. A. Taylor: No. I gather there was some support in the member's party and other parties in regard to that particular proposal. Frankly, I see no urgency to do that. I'm particularly concerned about feeding through costs to the consumers, costs that would reflect an investment in pipelines. There are other considerations and I have no present plans to bring in such legislation at this time.

Mr. di Santo: Supplementary: Since the construction of the pipeline—whatever the route will be—will drain most of the money which is needed for investment in southern Canada, and since it is known that the cost of gas at city gate will be much higher in Ontario with the resulting loss of several thousand jobs, is this government prepared to oppose the pipeline and if not, why?

Hon. J. A. Taylor: No, I think the hon. member's assumption is absolutely erroneous. He is assuming that the increase in oil and gas prices is being effected by the oil-producing provinces and the federal government in order to finance pipelines, which is—

Mr. Lewis: That is right. That is the rationale, and if you don't understand that you should not be in your job.

Hon. J. A. Taylor: —which is not correct.

Mr. Speaker: Order, please. Order, please.

Hon. J. A. Taylor: I have read all of the member's campaign literature and all of his dissertations on it and—

Mr. Lewis: There is no other rationale.

Mr. Foulds: Why don't you resign?

Mr. Speaker: Order.

Hon. J. A. Taylor: —that's not so.

Mr. Lewis: You don't know what is in your documents and you don't know your own rationale.

Hon. J. A. Taylor: The member doesn't.

Mr. Speaker: All right. A final supplementary.

Mr. Reed: Does this mean now that the ministry, in the course of about four months, has done a complete flip-flop on this issue of the pipeline?

Mr. Lewis: Completely. Totally. A total about-face.

Mr. Reed: Does this mean that there has been a complete reversal of the position of the Ministry of Energy regarding the construction of this pipeline?

Mr. Lewis: Of course. Totally.

Hon. J. A. Taylor: Mr. Speaker, there has been no reversal of the position of the Ministry of Energy.

Mr. Breaugh: This is called a twirl, not a reversal.

Mr. Foulds: It never had a position.

Hon. J. A. Taylor: What I advocated in that particular document was the need to put transportation systems into place—

Mr. Lewis: Nonsense.

Hon. J. A. Taylor: —in order to bring frontier gas, for example, and oil to market. That doesn't indicate—

Mr. Peterson: Which frontier are you talking about?

Hon. J. A. Taylor: Just a minute.

Mr. Speaker: Order, please.

Hon. J. A. Taylor: That doesn't indicate a preference. There are a number of transportation systems that could be employed, whether it's—

Mr. Lewis: You are getting yourself into hot water on this one.

Mr. Breaugh: Just because you said it, doesn't make it so.

Hon. J. A. Taylor: —a pipeline or some other system, and also whether it's in one location or another.

Mr. Cassidy: What other system? You favour the pipeline.

Hon. J. A. Taylor: No, there's no change in our position on this.

NURSES' DISPUTE

Mr. O'Neil: Mr. Speaker, I have a question of the Minister of Labour: Can the Minister of Labour tell the House what purpose was served by appointing Mr. John Sheriff as an industrial inquiry commissioner with respect to the public health nurses' dispute, since Mr. Sheriff has been unable to suggest a remedy to deal with the situation and has simply recommended that the parties return to the bargaining table even though nurses employed by 27 public health units have been unable to reach agreement after bargaining for 18 months?

Mr. Reed: That's a good one.

Hon. B. Stephenson: The appointment of an industrial inquiry commissioner, I suppose, is always a bit of a gamble. It is a mechanism which can be used when there are difficult labour-management relationships that need to have some impetus given them in order to improve the situation.

I had been hopeful that we would have something perhaps a little more definitive in terms of suggested initiatives within that document. Unfortunately, they are not there. There are some interesting suggestions which are not included as recommendations. But as a result of the report I have had a meeting with the Association of Boards of Health and a meeting with the Ontario Nurses Association. I have listened to their responses to the report and it has, in fact, I think, stimulated some slightly modified responses on both sides. I see some hope and, in fact—

Mr. Cassidy: All the progress that was made at the Journal. Just the same situation.

Hon. B. Stephenson: —the Minister of Health (Mr. Timbrell) and I shall be talking to both of those groups within the next week or so in order to attempt to find a solution to this problem.

Mr. O'Neil: Supplementary to the minister: As collective bargaining appears to have failed in this case and since the Sheriff report found that the Ontario Nurses Association proposal for voluntary arbitration was identical to legislation regulating the bargaining position of public health nurses employed by the federal government and several provincial governments—namely New Brunswick and British Columbia—in a satisfactory manner, why does the minister continue to refuse to permit public health nurses to adopt this option which is compulsory for most other Ontario public servants?

Hon. B. Stephenson: It is, I think, certainly erroneous and probably premature to make any such statement about our stance. We have attempted, because we believe apparently within this society that the collective bargaining process is a useful social institution, to allow it to run its course. There are certain instances—

Mr. Cunningham: Eighteen months?

Mrs. Campbell: What course?

Hon. B. Stephenson: —in which it is less successful than it is in others. This is obviously one of the situations in which the degree of success has not measured up to the expectation.

There are a number of initiatives which I think we can take, and we propose to look at each one of them very carefully.

Mr. Speaker: Supplementary, the member for Hamilton East.

Mr. S. Smith: Here comes the anti-arbitration position.

Mr. Mackenzie: Could the minister tell me how long she has had the report, or on what date she got the report?

Hon. B. Stephenson: I received the report on Friday, June 10, as a matter of fact, with the analysis attached at that point.

Mr. Mackenzie: Not on May 31?

Hon. B. Stephenson: No, I did not receive it on May 31.

Mr. Speaker: Does the member for Scarborough-Ellesmere have a new question?

Mr. Warner: I have a supplementary, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Warner: Are we on to a new question? It's a supplementary, Mr. Speaker.

Mr. Speaker: I shall allow a supplementary. The hon. member for Kitchener-Wilmot.

Mr. Sweeney: Does the minister share the view of the Minister of Health, her colleague, who, at a public meeting in Kitchener about a month ago, indicated with respect to this particular kind of dispute that he did not feel that strike should be used and rather felt that arbitration was better?

Hon. B. Stephenson: I have a strong personal belief that the strike-lockout situation is inappropriate in the health-care field.

Mr. Speaker: Now the hon. member for Scarborough-Ellesmere.

Mr. Warner: My supplementary to the minister is—

Mr. Speaker: Is this a supplementary? I thought it was a new question.

Mr. Warner: I would prefer a supplementary first before a new question.

Mr. Speaker: This will be the final supplementary, then, on this.

Mr. Warner: I was wondering whether one of the initiatives that the minister mentioned would be to increase the funding level for the Metro Toronto boroughs from the 25 per cent level, which it is at at present, to 75 per cent which is enjoyed by other municipalities outside Metro Toronto.

Hon. B. Stephenson: That question should more properly be directed towards the Minister of Health. I have no control over the funding from the Ministry of Health.

Mr. Warner: I gathered that.

Mr. Speaker: Do you so direct the question to the Minister of Health? He's not here.

Mr. Warner: Maybe it could be brought to his attention later.

LICENCE FEES

Mr. Warner: I have a question of the Treasurer. I'm wondering when the Treasurer will agree, not only with the elected officials of Metropolitan Toronto but also with several of his caucus colleagues, including cabinet ministers, that only taxis with a Metro Toronto licence should be allowed to pick up fares within Metro Toronto, or will the Treasurer continue to frustrate the attempts of 8,000 cab drivers to earn a decent living wage in the city?

Hon. Mr. McKeough: I'm not interested in frustrating anybody's attempts to earn a decent living. I suppose I should put that on the record first. I have recently—last night as a matter of fact—reviewed some correspondence because I had a letter from the solicitor for the taxi association requesting a meeting with me sometime in July. I'll attempt to arrange that. The last note I had on my file was that we were waiting for some legal opinions as to what it was possible to do legally before we could come to any conclusions about this matter. So far as I know, we have not yet received those opinions, I suppose, from the Attorney General.

Mr. Warner: Supplementary: Is the Treasurer aware in his deliberation while waiting for the opinion that without that separate Metro licence, as long as the inequitable situation exists at Toronto International Airport, it will continue to provide the opportunity for outside cabs—such as from Mississauga and Markham—to raid this area, and that the government has the option of simply making a change to The Municipal Act and allowing Metro Toronto to set the licence that is required by the cabs?

Hon. Mr. McKeough: I think that puts it somewhat simplistically. There are two points to be considered: first whether legally we can make that kind of a change in The Municipal Act as something which would stand up, and secondly, we have to give some consideration, not only to the taxicab drivers and/or owners but also to the consumer.

INDUSTRY RELOCATION

Mr. Eakins: I have a question of the Minister of Industry and Tourism. The minister has indicated in numerous speeches his awareness of the deteriorating competitive position in Canadian industries. What is the policies and priorities division of the ministry doing to contend with the advantages to industry of choosing to locate in the United States, as some businesses see it—such as lower wages, higher productivity, lower levels of taxation, lower costs of raw materials and larger markets?

Mr. Cassidy: Answer in 10 words or less.

Hon. Mr. Bennett: While we realize that in Ontario we have lost some of our competitive advantages, there are others that are still with us. These are the resources industry, the opportunity of a knowledgeable labour market and indeed some of the programs the Ministry of Industry and Tourism inspires, such as assisting municipalities in putting industrial land on the market, serviced at a lesser rate than in some other parts of North America.

[2:30]

We might as well face reality that in the United States there is a continuing pressure by state governments to assist municipalities in virtually putting some tax programs into place that will be an incentive to draw industries away from other parts of the North American continent into those particular states. One of the areas that we have moved on is the industrial parks development program. This allows for funding at a reduced interest rate for a longer period of time, indeed for allowing loans to industries at a longer period of time with a reduced interest rate if not completely eliminated.

I think we have to look at some of the tax advantages that the Treasurer brought in and that is the continuation of the relief of tax on new capitalized equipment for the manufacturing industry. These we believe are some of the things that will help to encourage the expansion and development of new industries in this province.

Mr. Eakins: Supplementary: Does the minister have further solutions then to resolve the dilemma which is common among the branch plants in Ontario, where due to their higher operating costs in the province they have found it cheaper to end production and simply import their product from the US parent and use the Ontario plant for distribution purposes?

Hon. Mr. Bennett: In my discussions with the Hon. Jean Chretien in Ottawa, we have tried to bring into place some special tariff requirements if we are to make use of these sub-plant operations by international companies. Mr. Chretien and I have discussed it as it relates not only to American companies but to companies from other parts of the world as well. In the third-world countries where we have had some rather interesting tariff changes over the last period of time, those are being reduced gradually by the federal government to try to give some certainty of market position to Canadian companies either in Ontario or the balance of Canada.

Mr. Foulds: Mr. Speaker, has the ministry looked at the possibility of doing market research through a government agency on behalf of a number or perhaps a consortium of small businesses?

Hon. Mr. Bennett: Yes, Mr. Speaker. Not only have we looked at it as the Ministry of Industry and Tourism for the province of Ontario, but we think it's more important on a national basis that we as Canadian manufacturing organizations are losing potential market opportunities in the world because we have gone into markets as a multiple of Canadian companies rather than as a turnkey project being designed and developed within the borders of Canada. We have suggested very strongly to the manufacturing association in Ontario and in Canada, indeed with the discussions again with the Ministry of Industry, Trade and Commerce in Ottawa, that turnkey operations should be put together by government itself—but be controlled by the private sector.

Mr. Speaker: The hon. member for Simcoe East has a final supplementary on this.

Mr. G. E. Smith: Is the minister prepared to consider establishing an extension of the industrial parks program to support the growth centres, as outlined in the Simcoe-Georgian Bay task force, such as Midland, Barrie, Orillia and Collingwood?

Hon. Mr. Bennett: Mr. Speaker, at the time that we brought in the bill that related to the industrial parks incentive program, we specifically related it to northern Ontario and eastern Ontario, but there was the opportunity for the minister to review any area of the province where it appeared that there was some incentive required to assist industry to establish itself in that part of our province. I have said to several members in the opposition parties as well as in our own party that if they have specific cases, we are prepared to look at them and try to assist.

Mr. Kerrio: Supplementary?

Mr. Speaker: No. We will come back for further questions on that if there is time.

REGIONAL GOVERNMENT FINANCES

Mr. Deans: Mr. Speaker, I have a question for the Treasurer. Has the Treasurer or the ministry had the opportunity to review the expenditures and the tax levels of the constituent municipalities which make up the region of Hamilton-Wentworth and the regional government itself, to determine whether or not there is some problem over the allocation of power and the method of use of responsibilities?

There appears to be extremely high taxes being levied and there is a great concern being expressed by a great number of people about the possibility of the region not being able to sustain itself.

Hon. Mr. McKeough: As the member is aware, at the request of the chairman of the region, she asked me to have my staff—I think the word she used was "audit"; I am not sure if that's the right word, but for lack of a better word—to conduct an audit as to just what had happened to levies this

year. The last time I spoke to my staff, I think they had the figures from the region and all of the municipalities except Stoney Creek, and they expected to be able to pull this together in the next couple of weeks. So I do not have an answer for the member today.

Mr. Deans: A supplementary, if I may: Are the figures that are being sought both the expenditures for municipal purposes at the lower level and expenditures for regional purposes?

Hon. Mr. McKeough: Yes.

Mr. Deans: Then is it possible for the minister to indicate whether he might consider a review to be conducted locally by local people of the actual structure of the region to determine whether or not that structure can in fact work satisfactorily, since there are, as I say, some grave reservations being expressed with regard to that aspect of regional government in the Hamilton-Wentworth area—perhaps in other places, too, but there specifically?

Hon. Mr. McKeough: I am waiting for the region. I indicated to them, as the member is no doubt aware, that although we preferred not to conduct reviews for a minimum of five years, that wasn't cast in stone. I suggested to them several types of reviews and I understand they are considering that. I believe their next council meeing is July 5 and I suppose we will hear something from them some time after that. But I am not considering anything at the moment until I've heard from the regional council.

Mr. S. Smith: A supplementary: Is the Treasurer prepared to consider the suggestion I made some time ago that we take a tri-partisan approach and review regional government in general, since it seems to be the cause of considerable consternation in the province of Ontario?

Mr. Deans: Similar to the suggestion I made some time before.

Hon. Mr. McKeough: Specifically, with respect to Hamilton-Wentworth I am not; I am waiting to hear from the regional council. Until we hear from the regional council I would not be making up my mind, and I, quite frankly, can't think that it would be of much sense to recommend to my colleagues that the suggestion of the Leader of the Opposition—who previously had said he would dissolve all regional governments—would be a very sensible one, to appoint a committee of members, including members of his party, with the aim of tearing down regional government. I can't see that that would be a very productive exercise.

Mr. Eakins: Careful.

Mr. Cunningham: A supplementary: Yesterday, I directed to the Lieutenant Governor in Council a petition pursuant to section 121, subsection 2 of Bill 155, asking for an independent review. What would the Treasurer's disposition be on that basis?

Hon. Mr. McKeough: I will wait until we see the request of the regional council.

HYDRO CONTRACTS

Mr. Roy: Mr. Speaker, I have a question of the Minister of Energy pertaining to a series of stories in the Globe and Mail back on June 3 and 4 about this secret inquiry by Mr. Justice Grant in relation to Hydro contracts. In view of the fact that he is the Minister of Energy, I take it responsible for Hydro, and a member of cabinet as well, would he tell us under what authority this inquiry was created? Was there an order in council authorizing the inquiry? What are the terms of reference of this inquiry? Was Mr. Justice Grant paid to do this so-called secret inquiry? Is the minister going to release the report? Is he aware of the so-called secret report pursuant to this inquiry, and is he going to release the report and let us know the findings of Mr. Justice Grant pursuant to this inquiry?

Hon. J. A. Taylor: I have no information on that, Mr. Speaker.

Mr. Lewis: What do you mean, you have no information on that? Why not?

Mr. Roy: What are you minister of?

Mr. Lewis: It's a difficult question, but that's ridiculous.

Mr. Roy: Is Hydro under the minister's jurisdiction?

Hon. J. A. Taylor: If the member doesn't know that he shouldn't be here.

An hon. member: You don't know.

Mr. Roy: Is Hydro under this jurisdiction, and is he, as minister responsible for Hydro, saying he was not consulted about this inquiry and he has no knowledge whatsoever of the inquiry or the findings in the report by Mr. Justice Grant? Is that what the minister is saying?

Hon. J. A. Taylor: I've already said that.

Mr. Cassidy: Supplementary: In view of the fact that there are suggestions of influence-seeking by private corporations in relation to those particular jobs by Hydro, is the minister prepared to make a statement—

Mr. Speaker: Order, please. Is this a supplementary question to a non-answer?

Mr. Cassidy: —replying to the question.

Mr. Speaker: Well, it wasn't announced as such.

Mr. Lewis: Yes it was.

Mr. Speaker: All right. Order.

Mr. Cassidy: Point of order, Mr. Speaker. That was a supplementary question.

Mr. Speaker: I'm sorry. I didn't hear the hon. member request permission for a supplementary.

Mr. Cassidy: Will the minister reply to the question in the near future and find out the information he's not able to provide to the House at this time?

Hon. J. A. Taylor: I will pursue the area of concern that has been expressed by two members of the House. I'll be happy to do that and to report back.

Mr. Roy: Is anybody out there aware of this inquiry?

FINANCIAL PROTECTION FOR FARMERS

Mr. MacDonald: A question of the Minister of Agriculture and Food. In view of the information that two further packing houses in Ontario are in shaky financial positions, is it the intention of the minister to proceed with the implementation of his announced policy to provide income protection for producers under such circumstances?

Hon. W. Newman: Mr. Speaker, all being well, yes, I intend to bring it forward this session.

Mr. MacDonald: Can the minister give us some assurance that it will be brought before the House before there's any more bankruptcy?

Hon. W. Newman: No, because I know of one that just happened yesterday, but certainly the legislation is being drafted. I intend to have it before the House before we leave.

An hon. member: A little late.

Mr. MacDonald: Before we leave in July?

Hon. W. Newman: Yes.

Mr. Gaunt: Supplementary: Would the minister give an undertaking that in the event the legislation comes into the House after another bankruptcy takes place, the legislation would be made retroactive to cover any such eventuality?

Hon. W. Newman: That would be a very difficult thing to do, but I would be glad to look at it. I think it would be a very difficult thing to do; I'm sure the member is aware of that.

Mr. Roy: But you are a very able cabinet minister.

Mr. MacDonald: Farmers have suffered because of the minister's delay.

LIQUOR ADVERTISING

Mr. Nixon: I'd like to direct a question to the Minister of Consumer and Commercial Relations having to do with liquor policy. Is he aware that the liquor inspectors under the Liquor Licence Board are visiting licensed premises informing them of new regulations pertaining to Sunday sales? Is he aware of those regulations, was he the sponsor of any change in policy?

Secondly, can he announce to the House the position that the government is taking with regard to so-called lifestyle advertising, which was the subject of some news comments about two weeks ago indicating the government was contemplating a change in its former policy?

Hon. Mr. Handleman: In response to the first part of the question, I'm not aware of any change in Sunday liquor regulations. I'll certainly look into it. Certainly the inspectors visit the licensees frequently to advise them on regulations. I'm not aware of any change in that regard.

As far as the advertising directives are concerned, there is an existing directive which the hon. member is aware of. There are certain revisions which have been recommended to cabinet which have not yet been approved. When they are approved, they will take the form of regulations, which will be published.

Mr. Nixon: Can the minister explain to the House why the government appears to be changing its former position? What has led the government to approach a possible ban of lifestyle advertising? Is it that the matter has been expressed, in the view of opposition parties as well as members of the minister's own party, that such advertising should be banned or at least regulated and decreased?

Hon. Mr. Handleman: We've always regulated it and limited it—both the kind and volume of advertising used for alcoholic beverages. What we're doing now is an update. The last one that we had, as I recall, was about two years ago.

As the member knows, the federal minister has expressed some concern about this and we have been negotiating with the federal government to try to refine our definition of

what is lifestyle advertising. Most of us can recognize it, but very few of us can actually define it. So what we're trying to do now is to come to grips with it properly, in a more sophisticated way than we have in the past. But it's simply a continuation of an existing concern.

Mr. Foulds: Supplementary: Why doesn't the minister just ban liquor advertising?

Ms. Gigantes: Hey!

Hon. Mr. Handleman: Because, Mr. Speaker, it has not been government policy to ban advertising in that area or any other area, to the best of my knowledge. Advertising happens to be the cornerstone of the market economy.

Mr. Cassidy: You guys are prisoners of ideology.

An hon. member: What about cigarettes?

[2:45]

Mr. Speaker: Was there a further supplementary on this side? Either one of you, whichever you wish.

Mr. Peterson: In view of the comments of some of the minister's colleagues, particularly the Minister of Colleges and Universities (Mr. Parrott), advocating an increase in the age of majority for drinking—

Mr. Speaker: Order, please. That is not related to the question.

Mr. Peterson: It is very much related to liquor in this matter.

Mr. Speaker: Right, but it has nothing to do with the question.

Interjections.

Mr. Speaker: Order, please. If it is in relation to the first question that was asked, I will allow the hon. member for Kitchener-Wilmot with a supplementary, and then I will allow one over there.

Mr. Sweeney: Does the minister have any intentions of specifically directing his ministry's attention towards the ban of lifestyle advertising for young people, because that is where most of it seems to be directed right now?

Hon. Mr. Handleman: That is part of the entire question. Of course advertising specifically directed to young people under certain settings is lifestyle advertising. Our problem really is to find an enforceable definition of what we are trying to regulate. That is what we are doing and we have been doing. There are regulations in place now which prevent certain kinds and certain styles of advertising. The problem is to bring those up to date in line with current community standards, and that is what we are trying to do.

When the new regulations come before cabinet they will be examined very carefully and I am sure my colleagues will have some suggestions. My colleagues for the most part have not seen the new regulations. Until they have, there will be nothing published.

Interjections.

Mr. Speaker: Order, please. One final supplementary on this from the member for Port Arthur.

Mr. Foulds: If the government is willing to ban a certain type of advertising, why isn't it willing, as a matter of government policy, to go further and ban advertising for the product? Is it because so much government revenue is dependent on sale of alcoholic beverages?

Hon. Mr. Handleman: The kind of advertising which has taken place in Ontario, and most other provinces which permit advertising, has been brand-oriented advertising. We have done all kinds of research to indicate that stopping advertising, as has happened in other jurisdictions, simply hasn't in any way curtailed either the sales or the increase in sales of alcoholic beverages. There is a great deal of the Ontario economy which depends on the advertising industry and provided we have no evidence, and we don't have any, that advertising increases the total amount of consumption I don't see any reason at the moment to ban it.

Mr. Nixon: Do you believe that?

STELCO EMISSIONS

Mr. Davison: I have a question of the Minister of the Environment. Now that the minister has had an opportunity to investigate the charges of Cyril Jackson in regard to environmental abuses at Stelco in Hamilton, would the minister inform the House as to what validity there is in Mr. Jackson's charges? Would the minister also table with the House all of the documentation he's used in arriving at his conclusion?

Hon. Mr. Kerr: Apparently Mr. Jackson made two accusations regarding Stelco. First of all, he claimed that the brickwork in the open hearth furnaces was not complete, was not high enough; and secondly, that the precipitators in the furnace were being turned off at night.

This was investigated by my ministry and the inspections revealed that in fact the brickwork was done properly, and that this had been inspected regularly while the construction work was going on. I understand that the mayor of Hamilton and his pollution committee were making a tour yester-

day also to inspect the work and the area about which the allegations were made.

Secondly, it is my ministry's intention that if the precipitators are turned off at night, there's no saving to the company. Also, our monitoring system would pick up any deterioration in the ambient air quality as a result of such a shutdown.

That's the information we have at the present time and I'd be happy to table any documents we have backing up that information.

Mr. Davison: A short supplementary: That means then that the minister is saying there is absolutely no validity in the charges that Mr. Jackson has made as far as his ministry is concerned?

Hon. Mr. Kerr: I am just saying that—yes, that is basically what I am saying. However, it has still to be followed up, as I say, with a report from the Hamilton pollution committee as a result of their tour yesterday. I assume that that will be taken to the council, after which a final disposition would then be made of this.

RETURNABLE CONTAINERS

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of the Environment. In view of the serious violations taking place under the provisions of The Environmental Protection Act in respect to soft drink containers as outlined in a Pollution Probe letter to his ministry dated June 21, 1977, what has his ministry done to see that the retailers mentioned in the letter are complying with the law?

Hon. Mr. Kerr: Mr. Speaker, this is the matching provision the member is talking about, the regulation that came into effect in April. We have been encouraging groups such as Pollution Probe to make any inspections they want to see that the regulation is being complied with. When we have a complaint that certain retail outlets are not handling returnable containers as required by the regulation, then our inspection staff will follow up with that and if the allegation is borne out charges would be considered.

Mr. Roy: Supplementary: Did I hear the minister right in saying that the enforcement of these regulations is left either to individuals who will make complaints or associations like Pollution Probe? Doesn't he have any inspectors out there in the field looking to see if there are any infringements of these regulations?

Hon. Mr. Kerr: Mr. Speaker, I was referring to the question placed by the hon. member's colleague, in that groups are in fact carrying out their own checking, shall we say, of the regulation.

Mr. Foulds: It shows a certain lack of faith in your ministry, doesn't it?

Hon. Mr. Kerr: We have our own staff who go around occasionally. I think the hon. member realizes that to inspect every retail outlet in the province would require at least a doubling of our inspection staff. So we encourage groups such as Pollution Probe, and Garbage Coalition, if they wish, to carry this out and to report to us.

Mr. Gaunt: Supplementary.

Mr. Speaker: We'll have a final supplementary. I think the hon. member was going to rise and his neighbour stood up first.

Mr. Roy: That is right. I cut him off.

Mr. Speaker: You did. So we will give the hon. member for Huron-Bruce a final supplementary on this.

Mr. Roy: I am very sorry about that.

Mr. Gaunt: Mr. Speaker, I am wondering, in view of what the minister has said—the fact that the ministry is short of inspectors, and is depending on outside groups—does he have any other avenues through which he can ensure that retailers across the province are abiding by the mandatory availability provisions for soft drink containers?

Hon. Mr. Kerr: We have the undertaking of the industry itself that it will comply with the regulations. The Ontario Soft Drink Association, for example, and the Retail Merchants Association, have all indicated they will comply with this regulation. If as a result of our inspection, or as a result of a complaint or any other type of inspection, we are told that a particular store or a particular chain of stores is not complying with the regulations, then of course we take whatever action is available to us under the legislation.

I don't know what more we can do. Certainly we cannot hire enough inspectors within my ministry to carry out a continuous inspection of all the retail outlets in the province.

INCO EMISSIONS

Mr. Laughren: Mr. Speaker, I have a question of the Minister of the Environment. In view of the fact that negotiations are presently going on between officials of his ministry and Inco concerning the level of emissions from the super stack at Sudbury; and in view of the fact as well that the technical knowledge about high stack emissions has changed since that control order was first imposed several years ago; and also in view of the fact that the results of these negotiations will have a—

Hon. B. Stephenson: Question.

Hon. W. Newman: Let's get the question.

Mr. Laughren: —major impact on people, on fish, on water and on soil; will the minister direct that the negotiations presently going on behind doors be held in public?

Hon. Mr. Kerr: Mr. Speaker, I think first of all, as the hon. member knows, we'll have to get the result of a study that is going on in the Sudbury area which we hope will be completed this year. That has been a five-year study involving the companies, Environment Canada, the Ontario Research Foundation and my ministry. The results of that study we hope will indicate what the reasonable levels should be at the termination of the present control order, I believe that is starting in 1979. So certainly we will have time before that to assess or reassess the final level requirement that was set back in, I believe 1971 or 1972.

I'll say to the hon. member, Mr. Speaker, that it doesn't appear the company can meet that objective. It is a reduction in 1978 from 3,500 parts per million down to 750, and I frankly really don't know what our people or anybody else were thinking about back a few years ago in setting that level, because it would appear at the present time that it is not possible to achieve.

However, the company wants to set a level that we're not satisfied with; certainly a reduction of 300 or 400 parts per million is not adequate. If we are talking about 2,000 then that is generally the ballpark. I'm waiting for that study, but I think, really, if we do reach an agreement sometime this year there is no reason why the explanation and the rationale behind that agreement can't be made known to the public and be subject to a public hearing.

Mr. Laughren: Supplementary: Does the minister not think that the public at large, and indeed many interested environmental groups such as the Canadian Environmental Law Association, Pollution Probe, and elected officials in the various levels of government, have a right to take part in these negotiations before any conclusion has been reached, and that it's an insult to these people to tell them after the fact the decision the minister has arrived at?

Mr. Warner: Absolutely.

Mr. Laughren: And it is tons per day not parts per million we are talking about.

Hon. Mr. Kerr: It depends on the criteria.

Mr. Lewis: The criteria? That is quite different.

Hon. Mr. Kerr: The hon. member mentioned a final decision being made. I think there is no reason why the public can't be involved before a final decision is made, but I think because of the very technical nature of these negotiations that are going on, certainly there should be some conclusion which could be taken to a public meeting. In other words, if the ministry and the industry agree on a certain level then that can be taken to a public meeting and the reasons behind it explained.

Mr. Germa: Supplementary—

Mr. Speaker: Order please. We have spent quite a bit of time on both a lengthy question and a lengthy answer and we'll get on to another question. If there is time, we'll get back to it.

ATIKOKAN HYDRO PLANT

Mr. Reid: I have a question for the Minister of Energy. Can he indicate whether he has received the proposal from Ontario Hydro for a Hydro generating plant at Marmion Lake near Atikokan? If he has received the report has the taken it to cabinet, and when can we expect approval of the building of the plant at Atikokan?

Mr. Roy: Does the minister know anything about that?

Hon. J. A. Taylor: To the two first parts of the question, yes and yes; I have received the report and it has been approved. I think the announcement will be tomorrow.

Mr. Roy: Will he be invited?

INDUSTRIAL DEAFNESS

Mr. Martel: Can the Minister of Labour now tell me what steps are being taken to assist those men who have suffered industrial deafness, with respect to lip reading and speech therapy being provided in the Sudbury area instead of coming to Toronto?

Hon. B. Stephenson: Mr. Speaker, the whole subject of industrial deafness, the treatments, the investigations necessary for individuals who are in positions which might lead to industrial deafness specifically in that area; the treatment programs, the remedial and therapeutic programs and the follow-up rehabilitation programs, are matters which are under discussion between the assistant deputy minister in the Ministry of Labour responsible for occupational health and safety—

Mr. Laughren: Two years now.

Hon. B. Stephenson: —I am sorry, Dr. May has only been there since December—and the director of rehabilitation services for the Workmen's Compensation Board.

They have also had discussions with some of the specialists in this area, not only in Toronto but in other places, and are in the process of developing the rationale for the program in Sudbury and throughout the province.

Mr. Martel: Supplementary: Could the minister then indicate to us the deadlines for these reports to be finalized, since three years of prodding this government to deal with that problem have gone by since I first started to raise it in 1974?

[3:00]

Hon. B. Stephenson: I wasn't aware that the hon. member for Sudbury East had been raising it for that length of time, Mr. Speaker. I was aware that he had some communication with the Ministry of Health.

I can't give him a date, because it's not a matter of accepting records; it's a matter of discussing the problem, establishing the guidelines and the levels which are required, and then attempting to establish the proper programs.

RADIATION HAZARD

Mr. Sweeney: A question to the Minister of the Environment: Could the minister explain how it was possible for the Ministry of Health to have advised James Galloway to leave his home because of high radiation in 1975, when the Ministry of the Environment had that information in 1973 and didn't do anything about it, and Mr. Galloway subsequently died?

Hon. Mr. Kerr: First of all, Mr. Speaker, I don't know where Mr. Galloway lived—

Mr. Sweeney: Elora.

Hon. Mr. Kerr: —and I would suggest that I wouldn't have that information. If the hon. member will give it to me, I'll get an answer for him.

TOURISM

Mr. Wildman: I have a question for the Minister of Industry and Tourism. In view of the dropoff in American visitors last year and his comments during the campaign about the need for a major promotional program by the private sector and the public sector, can the minister give us any indication of what his ministry is doing this year to try to promote American tourism throughout the province?

Hon. Mr. Bennett: Tourism in the northern part of the province has increased slightly over a year ago, and we think it perhaps can be attributed partly to the redirection of our advertising program which the ministry has implemented in the last eight or nine months. First of all, we have gone away from television advertising in the United States and into more selective advertising in publications and newspapers that serve a particular disposable income bracket, which we think is the type of funding that's required to travel to a place known as Ontario.

Very clearly, the fact is that tourism in North America, whether it relates to a given state or city, has been down over the last 24 months or a little longer than that. In Ontario, we think we've been able to maintain a fairly high percentage; and the spending position has been improved. While I admit that the number of people coming to the province of Ontario from the United States is down, it has been somewhat supplemented by the numbers of Ontarians staying at home and doing their visiting here. I think it has been related basically to the very sophisticated advertising program that we've placed in North America and in the domestic market, and the emphasis we've been trying to give to specific areas of the province of Ontario in advertising to Ontarians.

Mr. Cunningham: Are you advertising in British Columbia?

Mr. Wildman: Supplementary: Can the minister indicate what increase he expects as a result of his efforts and if he is aiming his advertising mainly at the high-income bracket or the lower-income bracket? What type of tourism is he trying to promote, especially in northern Ontario?

Hon. Mr. Bennett: We hope that in the current year we will be able to maintain a market position equal to last year's, which will be quite a change compared to the rest of the national position.

Mr. Makarchuk: Quite an increase.

Hon. Mr. Bennett: I said "maintain." We're not really trying to predict a substantial increase in the market position of tourism in Ontario. If we can hold the position we had a year ago, in light of inflation and in light of the increased cost of gasoline and a few of the other deterrents, I think we will do extremely well.

Yes, we have aimed our advertising program basically at a very high disposable income group, being the income group in the range of $18,000 to $20,000 in the United States. That's the market we believe will have sufficient disposable income to offset the cost of travelling north of the border.

FISH LEVELS

Mr. G. I. Miller: I have a question for the Minister of Natural Resources. Is the minister aware that since the eight-inch limit on perch

was put into effect last year, the gill netters in Port Dover are still having a problem making enough catch to live within that limit and that charges are being laid at the present time?

Hon. F. S. Miller: I have been aware of the problems. I believe the Ombudsman also looked into the problems of the fishermen in that area and some of the rules imposed. The rules were imposed, of course, to protect the fishery, and I think it's not wise to assume that one should catch small fish and therefore destroy future fishing potential.

Mr. Breithaupt: Sort of two for one.

Hon. F. S. Miller: I would hope that in the long run, the steps being taken currently are in the interests of the commercial fishermen and I hope they'll appreciate that.

Mr. G. I. Miller: Could I ask one supplementary? Mr. Speaker

Mr. Speaker: The question period has expired.

Mr. S. Smith: May I rise on a point of privilege?

Mr. Speaker: On a point of privilege, yes.

REPORT EVALUATION

Mr. S. Smith: This morning, Mr. Speaker, the member for London North (Mr. Van Horne) was given, from the Ministry of Education, a document which was dated April and had to do with evaluation in Ontario. He was also given a copy of a statement dated today, allegedly made by the minister, or to be made by the minister.

My point of privilege is twofold. One is that that statement appears not to have been made, and we wonder what the status of it is, because estimates are coming up right after the question period.

The other is this: In view of the fact that this report was ready and on the minister's desk for some months now and in view of the fact that our staff has asked for it repeatedly, we feel that it's a breach of the privileges of the members of this House to have it suppressed and just supplied to our member right now before the estimates begin on the very same day with hardly enough time to study it. I think the secrecy in this case is a breach of the privileges of the members of this House.

Mr. Speaker: There are rules and regulations as to the presentation of these materials—of course, I don't know those things are going on; I presume that the rules are being followed. There is nothing I can do about it at this particular time; I'll check into it and, if necessary, I'll report back.

Does the hon. member for Wentworth North have a point to raise?

REGIONAL GOVERNMENT FINANCES

Mr. Cunningham: Mr. Speaker, pursuant to the standing orders, I would like to indicate that I'm dissatisfied with the answer given to me by the Treasurer regarding regional government.

Mr. Speaker: It shall be so noted.

Petitions.

REPORTS

WORKMEN'S COMPENSATION BOARD

Hon. B. Stephenson presented the annual report for the Workmen's Compensation Board for the year 1976.

Mr. Martel: That should be a disaster.

Mr. Warner: And spend your time apologizing.

Mr. Speaker: Are there any further reports?

SOCIAL DEVELOPMENT POLICY

Mr. Villeneuve from the standing social development committee reported the following resolution:

Resolved, that supply in the following amount and to defray the expenses of the Social Development Policy Secretariat be granted to Her Majesty for the fiscal year ending March 31, 1978:

Social Development Policy

Social Development Policy program	$2,214,000

Mr. Speaker: Are there any further reports?

Motions.

INTRODUCTION OF BILLS

SECURITIES ACT

Hon. Mr. Handleman moved first reading of Bill 30, An Act to revise The Securities Act.

Motion agreed to.

BUSINESS CORPORATIONS AMENDMENT ACT

Hon. Mr. Handleman moved first reading of Bill 31, An Act to amend The Business Corporations Act.

Motion agreed to.

COMMODITY FUTURES ACT

Hon. Mr. Handleman moved first reading of Bill 32, An Act to Regulate Trading in Commodity Futures Contracts.

Motion agreed to.

Hon. Mr. Handleman: Mr. Speaker, these three bills are reintroductions of bills which were introduced in the previous Legislature and compendia have already been distributed to the opposition critics.

ADJOURNMENT DEBATE

Mr. Breithaupt: Mr. Speaker, before the orders of the day, on a point of order, might I ask for some direction with respect to the adjournment debate that will otherwise result from the dissatisfaction of my colleague from Wentworth North (Mr. Cunningham) with a certain answer given today. The adjournment debate is meant to take place on Tuesday and Thursday evenings in the ordinary case. Since the House is sitting this evening and since we are sitting tomorrow only on the usual Friday hours from 10 a.m. to 1 p.m., could you give direction as to whether you wish this matter to proceed this evening or whether it would be more convenient to have it proceed next Tuesday evening. It might be of mutual advantage to the members involved. I don't know.

Mr. Speaker: It would be my thinking on it that it should be next Tuesday evening. It is the first Tuesday or Thursday evening that we will be sitting. Next Tuesday evening was what I had in mind.

Mr. Breithaupt: Fine. Thank you.

Hon. Mr. McKeough: Mr. Speaker, just as a matter of interest, can there be dissatisfaction on a supplementary?

Mr. Roy: Oh sure, especially if it comes from you.

Mr. Deans: You could create dissatisfaction without a question.

Hon. Mr. Welch: Mr. Speaker, I wonder if I might have the consent of the House to revert to motions?

Agreed to.

MOTIONS

Hon. Mr. Welch moved that tomorrow, June 30, the House will sit at 10 a.m. and rise at 1 p.m.; and when it rises it will stand adjourned until 2 p.m. Monday, July 4.

Motion agreed to.

ORDERS OF THE DAY

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

(continued)

Resumption of the adjourned debate on the motion for second reading of Bill 6, An Act to amend The Ontario Unconditional Grants Act, 1975.

Mr. Swart: I had the opportunity to make some comments on this bill before the debate was adjourned yesterday at 6 o'clock. I pointed out that our party had some strong reservations about this bill.

First of all, the level of transfer payments does not meet the level of need of the municipalities. Property taxes last year and this year are going up more rapidly than the cost of living or the average salary and wages. The amount of money being transferred does not live up to the Edmonton commitment, the commitment given by this government in 1973 to the municipalities, which stated that the level of transfers would keep up with the amount of increase in revenue year by year of the provincial government.

I just want to say that this is a bill which should be providing the additional transfers rather than by other means, because the unconditional nature of these transfers is certainly beneficial in two respects: One, because it gives more autonomy to the local municipalities; and two, because it does not encourage excessive spending in the same way that subsidies which are based on a percentage of expenditures do. Therefore, this bill is inadequate in the amount of transfers that it makes to local governments:

The second part of this bill, with which we had real reservations, is a matter on which I want to speak today. I suggest that it attempts to cover up the excessive costs of regional government and, in so doing, it penalizes municipalities which are not in regional government. This bill certainly recognizes the voracious appetite of regional government because it provides substantial additional assistance to the municipalities in regional government over and above the amount of moneys provided to municipalities which are outside of regional government. But it therefore penalizes those municipalities outside of regions by giving them substantially less assistance.

[3:15]

I would point out that if the city of Owen Sound had been in regional government this year, according to the tables they would in fact have received something like $125,000 more in grants than they now receive. In the case of Sarnia, this would be something like $350,000; Thunder Bay would have received $650,000 more; and the city of London, something like $1.5 million more in grants than they are now receiving.

Let me put that another way: If municipal costs in regions—the expenditure per house-

hold—were the same as in municipalities of comparable size outside of regions, and grants had been given proportionately, the government could double that $6 per capita additional grant which they now give to regional municipalities, to all municipalities in Ontario. They could have given $12 more per capita to every municipality in this province.

I say to the Treasurer (Mr. McKeough) that his government refuses to even question the principle of its type of regional government in this province. Certainly there have been reviews conducted within the individual regional municipalities and some are under way at the present time, but these do not deal with the fundamental issue of whether we can afford in this province two full-fledged tiers of local government in most of the areas.

The member for Wentworth (Mr. Deans) in the question period today raised that issue. The member for Hamilton West (Mr. S. Smith), the leader of the official opposition, also raised that question. I suggest that the Treasurer, in his answer, really evaded that in saying there would be an audit done in the Hamilton-Wentworth area. There have been these individual studies which have been done there and in many other places but never dealing with the fundamental issue.

Mr. Speaker, I want again to document the excessive municipal costs where regional governments exist in this province. A May 1976 publication—that's a year old now, but no further one has been produced—of the municipal finance branch of the Ministry of Treasury, Economics, and Intergovernmental Affairs, is entitled "Regional Government In Perspective, A Financial Review." It is a publication of this government and one must assume it would support what the government has done, yet it provided certain statistics which must cause questions with respect to the affordability of the kind of regional government we have in this province.

In that document, table seven, page 17, there are some significant figures. It compares the municipal expenditures per households for municipalities in three different categories—Metro Toronto, inside regional governments and the rest of Ontario. It shows that from 1970 to 1975, expenditures per household increased in Metro from $836 to $1,450, or 73 per cent. In regions they increased from $656 to $1,344 or 105 per cent; and in the rest of the province, from $628 to $884 or just 41 per cent.

Let me repeat those figures: That in those five years, from 1970 to 1975, the municipal expenditure per household, apart from educational expenditures, increased in Metro by 73 per cent; increased in regions by 105 per cent; and in the rest of the province by 41 per cent. The significant thing is that by and large the division of the population of the province falls almost equally into those three categories, although Metro Toronto is slightly lower.

By the government's own figures, therefore, expenditures per household in regional municipalities are 52 per cent higher than municipalities outside the regions. The rate of increase in the last five years has been two and a half times greater than the rest of the province. Yet the same municipalities, which now spend 52 per cent more per household, spent only 4.5 per cent more per household in 1970, just five years ago, when they were not in the regions.

Put another way, and using other figures from the same document, it shows that in Metro total spending was up 102 per cent in those five years, in regions 159 per cent, and in the other municipalities outside of regions and outside of Metro, up only 65 per cent. It also shows that taxes in the regions increased 40 per cent faster during those years than they did in Metro or in the municipalities outside of Metro and outside of the regions.

Arguments are put forward by the Treasurer of Ontario and by the supporters of regional government which attribute the higher expenditures to a faster growth rate and better services within the regions. They say that's the main reason for the increase. Admittedly the municipalities in regional areas are growing somewhat faster on the average than those outside of the regions, but they also were in 1970 when they spent only 4.5 per cent more, not 52 per cent more as they're spending at the present time.

Because of those arguments put forward in that document and by the Treasurer, a survey was made of comparable cities. I've compared such cities as Hamilton with the city of London—somewhat comparable in population, somewhat comparable in growth rate. The expenditures per household in Hamilton in 1974 amounted to $1,069 compared to $816 in London. Who would say that London had that much poorer services than the city of Hamilton?

In Sudbury, the expenditures were $1,274 per household for municipal purposes compared to $1,051 in Thunder Bay, a city of comparable size. Cambridge, $1,214 compared to Brantford, $834. And so on down the

line of municipalities of varying sizes within and without regional government, all showing that the expenditures per household in regional government were substantially higher than they were in the municipalities outside of regional government, down to places like Grimsby, with a population of 16,000 where they spent $1,015 per household, to Owen Sound where they spent $928, or Thorold where they spent $1,147 compared to Trenton where they spent $982.

It shows that in all of these 20 cities—10 inside regional government 10 outside regional government—that the average expenditure per household in the municipalities inside regional government were $1,162 compared to $919 outside of regional government, or 25 per cent higher in the regional municipalities than in the non-regional areas.

The apologists for our present form of regional government also contend that there are so many small municipalities in the groupings outside of regional government that in the aforementionad publication comparisons are meaningless. That, I say, is not so.

The 1970 municipal blue book, financial information, which is the latest year published—and I think that says something about the ministry—gives figures which show rather strikingly the much higher expenditures per household of municipalities within regional government compared to ones of similar population outside of regional government.

Here are the figures computed from the blue book and these are the total expenditures per household for all municipal purposes by population groupings: The municipalities in the population groups 10,000 to 25,000, inside regions, $1,021 expenditure per household; outside regions, $800. In the 25,000 to 50,000 population, inside of regions, $1,089; outside of regions, $916. In the 50,000 to 100,000 class, $1,273 inside the regions and $874 outside. Over 100,000, $1,135 inside the region and $944 outside the region. Thus the average expenditure per household of municipalities within regions compared to municipalities of the same size outside of regions is 28 per cent higher. I suggest that is serious enough that we should be taking a serious look at the principle of regional government. I think that is what we should be addressing ourselves to; and until the Treasurer does, the Ontario government should bear all the extra costs of regional government, not the property taxpayers.

Mr. Eakins: You are in favour of it, aren't you?

Mr. Maeck: Who's going to give us the money?

Mr. Swart: I am not in favour and never have been in favour of the type of regional government we have in this province, and that is fully on record in many places.

I say we must have this examination, perhaps even as suggested by the Leader of the Opposition (Mr. S. Smith), a three-party examination. Before the House fell in April, I presented a motion to this House, and I have now once again tabled it. It reads as follows:

"That in the opinion of this House, there now being some form of regional government covering more than 60 per cent of the population of Ontario and independent review studies of three regional governments completed or nearing completion"—and more are being done now of course—" the general government committee of the House should be authorized to conduct by itself or through a subcommittee a full inquiry into the cost and benefits of the Ontario regional government system generally and, without limiting the generality of the foregoing, to examine in particular:

"1. The cost of providing various municipal services to residents of communities inside regional governments compared with the costs in communities outside of regional governments:

"2. The degree of duplication, overlap, bureaucracy and redundancy in intermunicipal and municipal-provincial relationships of regional versus non-regional local governments;

"3. The perceived and actual public accountability of the regional systems;

"4. Alternative methods to the full-fledged, two-tier system of local government."

In conclusion, I say the Edmonton commitment, the inadequacy of transfers and the regional government reorganization ought to be an integral part of the conditional grant consideration we have before us in this bill. They are ignored, and therefore we support this bill with a great deal of difficulty. I say we only support it because if it is defeated the municipalities are going to be hurt even more, they will have less revenue.

But I want to say, in conclusion, that you can be assured we on this side of the House will continue to fight for fundamental changes. We object to this sort of proposal which perpetuates the inequities and the injustices to the municipalities and to the property taxpayers.

Mr. Ashe: After listening to the hon. member for Welland-Thorold, I wonder whether he is addressing his remarks to Bill 6, which we are considering today, An

Act to amend the Ontario Unconditional Grants Act, 1975.

Mr. Peterson: An astute observation.

Mr. Ashe: It seems to me he had a dissertation relating to regional government and regional government only.

Mr. Ruston: He is in favour of it.

An hon. member: He is a federalist.

Mr. Ashe: The thing that amazes me is how we have many experts who have really not been involved in that particular level of government and don't really know what is going on. In actual fact they are one of the reasons there have been some problems with it. The attitude of some members in that corner of the House, out in the hustings, and out in the areas, has been very negative. Instead of being positive to help implement it and make it work, they have done everything to make it difficult for the commitments of that level of government.

[3:30]

As the member for Welland-Thorold indicated, there is no doubt at all that costs in the regionalized areas are somewhat higher than in the unregionalized areas. He did indicate, and it is fact; the main reason for it, and I am really surprised that a member from the third party would suggest that it is outside the bounds of their particular thoughts and philosophies that all people within an area and all people within this province of ours should not enjoy the same level of service. That, of course, is one of the reasons why regional government is generally doing its task and doing its job; albeit on the short term at somewhat higher costs, because in equalizing the level of service throughout a wide area; expanding the level of service over a wide regionalized area, there is no doubt that there are substantial capital costs in the earlier years. This is what has been seen in most regional areas, and I would suggest to you, Mr. Speaker, and to members of the House that this is levelling out and will level out in most areas when it has had time to operate.

Getting more specifically to Bill 6, I think it is an area of course that is appreciated by all municipalities, this is not the greatest area of concern to municipal government, and I have been a party to that system for some seven and a half years up until about a couple of weeks ago. The main concerns of municipalities have been to do with the conditional grants not the unconditional grants, albeit there is no doubt there has been an ongoing difference of opinion as to the interpretation of the Edmonton commitment as was referred to by the hon. member for Welland-Thorold. I have been on the other side of that particular fence too, as a member of the Provincial Liaison Committee. He is quite aware of that, and made reference to that fact yesterday. That really doesn't come to a great deal in Bill 6. Municipalities this year generally were quite in favour of the increases that are proposed by this bill and, of course, their budgets were set with the particular figures indicated in this bill in mind.

One of the concerns—and this also was expressed yesterday; I'm not sure whether it was by the previous speaker or by a former speaker—is the unconditional grant for police purposes. There is no doubt in my experience, and from hearing the experiences of other people who have been involved in the municipal level of government for the last number of years, that the police commissions generally seem to have taken upon themselves that when there was an increase in the police grant in any form, whether it be in the regionalized areas or non-regionalized areas, that this really was a licence to spend these extra dollars within the police function. I would recommend to the Treasurer and suggest that in a future year—I'm not suggesting it in this particular Bill 6 at all—possibly the unconditional grants should actually be a total dollar grant and not specifically identified for police purposes, and possibly some of the areas that the police commissions have been taking unto their own to spend these source of funds might be somewhat not as identifiable for them.

One of the concerns that municipalities have had generally, and I have expressed this in the past, comes in directly to what the hon. member was referring to before about growth areas. As I indicated before, there is no doubt at all that these areas are expanding their level of service and equalizing their level of service because they are accepting, generally speaking, growth rates in their population that are in some instances significantly higher than the provincial average. I don't think that the present situation in our unconditional grants of basing grants on population figures that are related to the previous autumn are really fair to those municipalities and those regions who have large growth going on in them. Possibly consideration can be given in a future amendment to this bill to recognize municipalities in growth areas so that they can get an advantage of a more up to date, probably average figure of what the population

they serve and offer their services to might be from one year to the other.

In closing, I think Bill 6 before us should be expeditiously handled by the House so that the moneys that have been indicated and programmed and used in the budgets of the various respective municipalities, whether they be local or whether they be regional, can be implemented. Let's get on with the job. Thank you.

Mr. B. Newman: I wish to make a few comments concerning this bill, Mr. Speaker, and most of my comments are going to be repetitive as far as the minister is concerned, because they are going to be parochial and deal with the city of Windsor and the services it provides to the adjacent municipalities.

The minister is aware that the municipality of Windsor, not being a regionalized government, has certain oversize facilities, such as water treatment plants and water works plants to enable the growth to take place in the surrounding municipalities. But even though it may have the responsibilities of a regionalized municipality, it is not provided the funding that a regionalized municipality receives from the government. In other words, it is being mistreated in terms of funding, and I would sincerely hope that the minister would review the situation as far as my community is concerned and assist it to maintain a more reasonable tax rate so that the residents at least would have increases that are at a reasonable level without arbitrarily cutting off essential services.

There is also another problem as far as the grants are concerned; that is, the grants are based on population statistics. Whose statistics are we going to take? In my own community we had a series of statistics that indicated a 205,000 population and then another series that showed a population of 193,000; and because of the difference, where the breakoff point happens to be 200,000 population, it puts the municipality in an adverse financial position if the population is taken as being 195,000 rather than 205,000. The mayor did have a study conducted in which it was indicated the population was greater than that reported by the assessment commissioner. I'm just wondering if there couldn't be some agreed statistical information as far as population is concerned so that confusion wouldn't arise again in the future.

So, even though the city of Windsor is not a regional government, for all intents and purposes it provides the surrounding municipalities with some of the services that a regional government provides.

As far as the grant structure is concerned, I think there should be sizeable increases. If one compared my community with the city of London, one would find that the overall financial assistance to the city of London is substantially greater than it is to the city of Windsor. Not that we wish to have anything taken away from the city of London, but we would like to be elevated to the same status as that of the city of London.

This is the extent of my comments, Mr. Speaker, and I hope the minister in replying to all of the speakers will lend a more cheerful and better ear to the plight of the city of Windsor and provide them with extra funding so that the property tax rate will not increase as substantially in the future as is did in the past.

Mr. Deputy Speaker: The member for York South.

Mr. MacDonald: The brevity of the last speaker left me in a mild state of shock, Mr. Speaker.

Mr. Roy: I won't be shocked if you are brief.

Mr. Reid: Follow his example.

Mr. MacDonald: I'll be relatively brief too.

May I say at the outset that if the hon. member for Durham West (Mr. Ashe) felt that my colleague from Welland-Thorold (Mr. Swart) was missing the principle of the bill because he was discussing regional government in some detail, maybe I should anticipate a mild protest on his part once again because I intend to try to put this bill in a bit of historical perspective, because I think that's what's got to be done.

Obviously we support this bill, because it is at least of some assistance to existing municipalities. It's going to provide some measure of relief. Without it, the burden would be even greater; that, of course, is the problem. The trend, as has been delineated in much detail by my colleague from Welland-Thorold, has been that provincial grants have been taking a smaller and smaller proportion of the burden that is falling upon the local municipalities.

Hon. Mr. McKeough: Nonsense.

Mr. MacDonald: It is not nonsense.

Hon. Mr. McKeough: It certainly is.

Mr. Swart: It is not.

Mr. MacDonald: The proportion of the burden that is falling on local taxpayers through the property tax has been going up. And it's been going up because while there was a thrust on the part of this government in the early 1970s, sort of symbolized or institutionalized in the Edmonton commitment, there has been a backing off from the Edmonton commitment. I don't want to get

into an argument as to the extent of the backing off or the details of it. There has been some backing off, and because there has been a backing off, the government has reverted to the old trend of an increasing proportion of that burden to fall on local taxpayers.

That, it seems to me, makes it necessary to put it in historical perspective. Because we're looking at two or three little bits and pieces, two or three little nibblings at the corners of a very great problem. It is a problem that was examined in excessive detail, not only in the broad context of the inequity of our tax structure and the Carter commission investigation federally or in the Smith committee investigation in the province of Ontario, but in what's going to be done to come to grips with the most inequitable of all of the taxes in what is conceded to be a basically inequitable tax structure across the board. The most inequitable of all the taxes, of course, is the property tax.

We've had in the last 10 years in the province of Ontario, no fewer than six tax studies. There was the Smith committee study. It made its recommendations. The government or the Legislature then appointed a select committee which examined the recommendations of the Smith committee; the so-called White committee once again did an overall job. In the interval, we've had three studies of special tax problems such as farm lands and golf course taxing and things of that nature.

A year ago, the government once again came back to this unresolved problem, spelled out a number of questions and appointed another commission, the Blair commission, to examine it. I think I am accurate in stating that the provincial Treasurer and many other spokesmen for the government said that they were awaiting the recommendations of the Blair commission because with their guidance and their reply, with the input that they would have had from all across the province on these 14 key questions, the government presumably was finally going to grasp the nettle and do something about it. But almost within the hour of the making public of the Blair commission report, the provincial Treasurer indicated that it was too controversial, that he was going to seek more input.

Well, for how long do we go on in this process of seeking more input? This issue has been studied to death. I concede, Mr. Speaker, that it is a complex problem, but I insist that its complexities are not going to be reduced by continued procrastination that has gone on now in recognizing there was a problem for literally a generation or more and in studying that problem for the last decade.

During the course of the election campaign, the government once again, though it was within the context of the Premier's (Mr. Davis) assertion that he was going to make no promises—he was going to be running on his record, so to speak—but as the pressures of the campaign went on, some promises began to emerge. One of them was a little bit more relief to senior citizens from the burden of education tax.

I don't know what other members of the Legislature have found, but there is no other topic—apart from the high-priority items in our casework with our constituents such as housing and workmen's compensation and unemployment insurance and so on—that I, in discussing and meeting with my constituents, find raised more frequently than the excessive burden of education tax on senior citizens. Their argument is an argument that they see in highly personal terms. They have paid the education tax for years to the municipality, they have educated their children, why should they now have to continue to pay in a fashion which is driving them out of the home which may be most of the asset that they've got left in life, the achievement of a lifetime's working and raising their family?

[3:45]

But the government once again nibbled at it. But in nibbling at it, Mr. Speaker, they underlined how impossible this is of providing an overall solution if you are only adding a bit more here and bit more there. It is wise, it is well, it is a good thing, to relieve the burden on senior citizens. But there are others who are on fixed income, there are others who are on low incomes; and they are struggling to maintain their homes with young and growing families and all the attendant expenses upon whom the burden falls just as heavily. My plea to this government, in the context of this bill and the principle we are taking a look at here, is that the time has long since passed when we should seek to relieve this acknowledged burden, the acknowledged inequity of the property tax, without coming to grips with this problem, without coming up with whatever are this government's answers to the recommendations of the Blair commission.

In an obvious and very brief digression, I would suggest, Mr. Speaker, that the answer is partly in this kind of increase in unconditional grants. But to get back into another running theme in Ontario politics for the past 30 years, if you want to relieve the burden

at the local level, sure you do it by increasing the unconditional grants, but you recognize what has been pointed out to this government by the organized municipalities across this province for years; namely that it is not a legitimate proposition that you should lay such a large burden of the services to people upon local property taxes. Services to property, fine; sewage, police, fire and so forth. But services to people are more legitimately and more equitably raised from the general revenue of the province, from the general economic capacity, both in the personal and corporate fields, for meeting, for example, the needs of education.

We all know that the Tory party was elected in 1943 on the promise that they were going to grapple with that problem and meet at least 50 per cent of the cost of education, so that you wouldn't have this burden at the local level that is nibbled at by these small increases in unconditional grants. We all know that it took them about 15 or 20 years before they fulfilled the promise of 50 per cent. Then they got up to 60 per cent. The plea of the opposition parties was at least 80 per cent of the burden of education costs should be met from provincial government grants, services to people raised from the overall wealth of this province. But we're slipping back, we're slipping beyond the 60 per cent. Having headed in the right direction, the trend is now back in the direction of square one where this government started out back in 1943.

So, Mr. Speaker, I reiterate that we support this, but we support it with all of the qualifications, with all of the concerns that have been expressed by my colleague who is the critic on municipal taxes and municipal affairs, the hon. member for Welland-Thorold. We support it because, at least, it's a small measure of relief, but it is not the answer. I pray that sometime this minister, instead of bellowing at us in rhetoric and in outworn ideology, will grapple with some of these problems and come up with some sort of a solution to the whole problem instead of nibbling at the corners of it.

Mr. Deputy Speaker: The member for Ottawa East.

Mr. Roy: Thank you, Mr. Speaker. I don't know if I've had occasion, publicly, to tell you how good a job you're doing, but I'd like to put that clearly on the record and wish you Godspeed in that position and long life. Likely the job may become permanent if you continue with the same efficacy that you've started.

If I can be very parochial—

Mr. Peterson: You just were.

Mr. Roy: No, no. I'm not being parochial; I was being very objective towards the Speaker, I thought.

What I want to say very briefly with respect to Bill 6 is simply this: First of all, I'm concerned, as has been expressed by other members, that the unconditional grants are not solving the tax problems of municipalities. Very often these are problems that have been imposed on them by this government, and certainly by this minister.

I can recall a year or so ago—I think it was early in 1977—raising with the minister the fact that in the Ottawa area the taxes appeared to be 25, 50, and up to 75 per cent higher than they were in other comparable jurisdictions such as London, Hamilton, and certainly Toronto. At that time I had raised it with the Treasurer and asked him if there was something he could do if there was some explanation that could be given why the taxes for the residents in Ottawa-Carleton were so much higher than in comparable municipalities in other areas of the province.

At that time the minister, in one of his moments of gusto, replied to me that if I had any problems with the taxes locally I should be going back to these municipal politicians and saying to them that they obviously are doing something wrong, or at least their efficiency was questionable as compared to local politicians in other areas of the province. I thought that that was to some measure unfair because certainly Ottawa-Carleton had regional government imposed on them by this government and as I recall, if not this minister, certainly his predecessor, with the approval of the present minister, who was a member of cabinet at that time.

Of course, we saw the results, as in many other areas of the province, where taxes just shot right up. We have seen that the blueprint for regional government—that of making it bigger, more efficient and more responsible—just hasn't worked out that way. What it has done is just added another layer of government. It has cost more money and so on.

I raised this with the minister and had very little response. The reason I bring it up again, and I think it's relevant to this bill, is that the minister again has issued a speech that he made on June 21 to the Association of Municipal Clerks and Treasurers of Ontario. In that speech he published a list of statistics of the mill rate changes and residential property taxes per household, 1977. Again from this list it indicates there are problems in Ottawa-Carleton.

For instance, in Toronto the average tax per year per household is $597, where in Ottawa it's $693, which means that in Ot-

tawa we are paying close to $100 more per residence on average than Toronto. As compared, let's say, to Hamilton, Hamilton is paying $596, a dollar less than Toronto—again a situation whereby Ottawa is paying more and of the municipalities in the Ottawa-Carleton area Ottawa is the one that has the lowest rate. In fact Nepean township has an average rate of $990. Gloucester has a somewhat higher rate as well; I think I have the other ones here.

Gloucester township has something like $836. The single family tax load in Nepean is something like $1,003 per year. And, of course, there is the residence in Rockcliffe—and I have somewhat less sympathy there because they live in means that are affluent and adequate, but just as a matter of interest, in Rockcliffe the average resident pays something like $2,328 per year.

Mr. Peterson: Is that in your riding, Albert?

Mr. Roy: No, that's not in my riding.

Mr. Peterson: That's why you don't care.

Mr. Roy: I have to say to my colleague from London Centre that, of course, I have great support there. The people love me in Rockcliffe and there's no problem there.

So, Mr. Speaker, I thought it was important to bring this again to the attention of the minister and—

Mr. Peterson: Do you allow lies in the House, Mr. Speaker?

Mr. Roy: —in fact I brought it to the attention in the question period again. Surely with all the officials that the Treasurer has and all the experts that he has, he can call on them at a moment's notice to give him some statistics, some explanation.

In fact the minister tried to do that during the election itself, Mr. Speaker. The minister called on his ministry people and in no time they had the costing of the NDP election promises so I would expect, Mr. Speaker, that the minister—

Mr. Makarchuk: If they are as good at that as they were on the election, the Treasurer had better not call on them too often.

Mr. Roy: Yes, I am concerned about that explanation.

In any event, Mr. Speaker, I want to say to the minister that it's not really fair to say that if Ottawa has that problem, or Gloucester or Nepean township, that it is the fault of the local politicians, because it was by this government, with the acquiescence of his minister, that regional government was imposed on us. We didn't really ask for it and we are suffering the tax increase that so many other regional municipalities are facing. I want to bring this to your attention, Mr. Speaker. I am sure that through your good graces we will get the minister to respond to the plight of the people in the Ottawa-Carleton area, to a very valid objection, and I think something that is supported by the ministry's own statistics.

The second point I want to deal with in this bill is the question of the grants to police forces. Again, I am concerned about what is happening to Ottawa-Carleton, because the per capita grant to police forces associated with regional municipalities—in other words, to regional police forces—is $15 per capita, but if they are associated with just the municipality it's $10 per capita. Again, that's unfair. It's unfair because a succession of ministers have come to Ottawa-Carleton and said, "No, we are not going to impose regional police forces here." The main reason they don't do it—

Mr. Peterson: Point of order, Mr. Speaker, I don't see a quorum.

Mr. Cunningham: Well, the Treasurer just left.

Mr. Deputy Speaker: I would like to remind the hon. member that there are two other committees sitting at this time, and it is sometimes difficult. However, if the member wishes, I will ask the Clerk to ascertain if there is a quorum.

Mr. Roy: I'll tell you what, Mr. Speaker. I am not so concerned about the quorum as having the minister there. I would like to see him sitting there, and he's gone during very important remarks. I am sure it was something important that he was called out on. In any event—ah, here he is, he's come back. Now that I see the minister coming back into the House I am less interested in a quorum, considering what's going on in other parts of this august building.

As I was explaining, a succession of ministers have come to Ottawa-Carleton, and they have said, "No, we have no intention of imposing a regional police force on Ottawa-Carleton, because the forces that are there are doing a good job." It seems to me that makes sense, if you've got a police force or a variety of police forces working in concert and they are doing a good job, why should you have a regional force?

The statistics again bear out that in Ottawa-Carleton the residents are as well protected as any other regional area, on the statistical compilation anyway. However, here we have a grant system which still says to Ottawa-Carleton, "We're satisfied with the law enforcement setup that you have there. We're not going to impose a regional police force on you. We think that the various police

forces in Ottawa-Carleton are doing a good job, but we are going to punish you. All the other regional police forces are going to get $15 per capita, but Ottawa-Carleton will only get $10."

I really think that's unfair, in view of the fact that this minister, or at least his colleague the Solicitor General (Mr. MacBeth) who has jurisdiction over the police, is not prepared to impose a regional police force in Ottawa-Carleton. Our forces there have had a few problems. For instance, some of you have heard about the mayor of Vanier. He ran into a little problem dealing with body-rub clubs and that sort of thing, and the court process is now under way, but that doesn't take away from the effectiveness of that particular force, the Vanier police department, or the Ottawa police department, or Gloucester or Nepean, and even the OPP who are patrolling that great area of Rockcliffe.

So I am saying, and I want to emphasize this again, I just can't understand, and I would like some explanation from this minister, if the government or if he himself is satisfied with the type of policing that's going on in Ottawa-Carleton—and I can remember a succession of ministers saying that that was the case—why is he penalizing Ottawa-Carleton and giving us only $10 when the regional police forces in other areas of the province are getting $15? I think it's unfair, and I don't think it is in keeping. I think it is inconsistent. If the government feels that Ottawa-Carleton is, in fact, not doing a good job, or if it feels that in fact it is trying to encourage them to have a regional police force, then impose it on them. Don't be inconsistent and say to them, on the one hand, "You are doing a good job, we see no reason to have a regional police force," but on the other hand "We will penalize you because you don't happen to have a regional force."

[4:00]

I think it's unfair. The residents of Ottawa-Carleton deserve better treatment than they're getting from this government or this minister.

Mr. Makarchuk: I'd like to bring to the minister's attention the other situation that was mentioned or alluded to by one of the speakers earlier this afternoon. This is a case in Brantford, which is not a regional municipality, however the city is situated in such a position in the county and the conditions being what they are in that county, the city provides most of the services that a regional municipality does. Because they are not organized into a regional municipality, they naturally are penalized.

Mr. Cunningham: No they are not.

Mr. Makarchuk: They are penalized in terms of grants. I'd like to point out to the minister that in this case the city provides most of the recreation facilities, all the library facilities, most of the sewage treatment plants, the transportation services, the social services, the Children's Aid Society and the family service bureau as well as the municipal welfare services. The major hospitals are located in the community and three out of four of the high schools in the area are located in the community. The municipality also makes major contributions to the county road system. In effect, what we have is that about two thirds of the people in that area living in the country are responsible for or provide the services for the other one-third who live in the surrounding townships as well as the communities.

What we have here in effect is a regional organization, because there are services within the community that are organized on a county-wide basis, but again the municipality does not receive these grants. For example the police grant, which is $10 to a municipality and $15 to a regional municipality.

I think the minister should look into this very seriously. If there is an existing local situation which seems to be working and there is a move within the county to try to iron out some of the problems that exist in that area, with the thought that perhaps some allowances should be made. In other words, we're not asking for special treatment or more grants than somebody else. What we're asking is that where the performance or the situation is what it is, we should at least get the grants that are paid to the regional municipalities.

It seems to me that unless these grants are increased to municipalities like Brantford, then what in effect the government is doing indirectly is forcing the municipality into some form of regionalism in order to bring about some equity in taxes, an equity in terms of paying for the services that are provided there so that the outlying townships will be contributing at least an equal amount as the city taxpayer. Indirectly what the minister is doing, as I said earlier, if he does not move in this direction, is forcing them into regionalism, which is rather a controversial thing as he well knows.

Instead of moving in that direction, I wonder if you would provide the grants to the municipality and allow them, with those increased grants, to try to work out their own restructuring, which is the direction

they're moving at this time. That is not asking for any special services or any grants greater than the minister is handing out to other municipalities. At the same time, what he will do is provide a certain sort of amicable solution to some of the problems on the local level.

Mr. Cunningham: I'd like to make a few comments on this Act to amend The Ontario Unconditional Grants Act as they relate to the particular region I live in. I want to say to the Treasurer that many of us would endorse the idea of pumping these grants into the municipalities to save the taxpayers from the tremendous increases that we are seeing. Right now in the township of Flamborough the average increase, I believe, will be somewhere in the area of 31 per cent, certainly far and above the AIB guidelines. In fact, it was just last week that his friend and my friend, the mayor of the township of Flamborough, undertook to have an old-fashioned political meeting in the village of Waterdown to attempt to explain this 31 per cent increase in our taxes. I must say I was somewhat sympathetic to the mayor in that I felt very sorry for him that he was being subjected to a great deal of disdain which I would say should be borne largely by the Treasurer and by the government party, because I think the difficulties we are experiencing in that particular area relate almost entirely to this inefficient system of regional government.

Certainly the taxpayers in my area are being penalized. They are being penalized in two particular ways: One is by accommodating, through their own personal municipal taxes, the inefficiency of regional government—as taxpayers in the province of Ontario, they are also accommodating the various grants that are put in to keep regional government floating—and, of course, the hidden cost that very few of us tend to appreciate, the cost of the civil servants in the province of Ontario who are designated to specifically address their concerns to the operation of regional government. As the Treasurer may recall, through a speech in a previous budget debate, I did bring forth a number of advertisements for people who were going to be hired, I must say at rather significant salaries—and the salaries were at the rates of two or three years ago—and who would be charged with the responsibility of trying to make regional government work.

As the Treasurer well knows from comments that I have made and comments that my leader has made, as well as members of the third party in my particular area, our system of regional government is not working; and any harbouring of the illusion that we can continue to pump a great deal of money into that system and make it work, I think, is fallacious at best.

What I would suggest here is that we undertake to have a rather frank, candid and, if possible, non-partisan approach to this very serious problem so that we can examine not only the cost of regional government but the deterioration of services. I would say respectfully that, notwithstanding any increases to unconditional grants to my municipality, the people in my particular area, and more specifically in the outlying areas of the Hamilton-Wentworth region, would be very hard-pressed to continue to find money to pay for their municipal taxes. Their services continue to go down and their taxes continue to go up.

To that end, I also would make a comment on the transitional grant aspect of this legislation. The fact that we are limited to five years in the implementation of a regional system of government is disturbing to me because, regardless of whether the system is workable or not, one would think that it would take considerably longer than five years to determine that. In my area, unfortunately, the area does not recognize the community of interest; structurally, it is unsound and, I believe, will never work. But to limit the extent of support from the province of Ontario to a region, to a period of five years, is blatantly unfair, Essentially, it is saying: "You are on your own now." The citizens in the township of Flamborough, in the towns of Dundas and Ancaster, and certainly in the outlying areas of the member for Wentworth's riding are paying through the nose. I want to say to the Treasurer at this particular point in time that it is unacceptable to them now and will be in the future if that situation isn't corrected.

Mr. Davison: When I first laid eyes on this Bill 6, Mr. Speaker, it immediately struck me as something of a half measure. However, the more I examine it, the more I have to reassess that fraction downwards.

There can be no doubt that our municipalities are in serious financial trouble—our regional municipalities, our towns, our villages and our cities. This bill does not go very far in solving those real financial problems. To solve those financial problems, we need some very serious and some very major legislative changes. But I am willing to support the bill on the fine principle that in principle a fraction of a loaf is better than none. However, I don't think we should let the bill pass

by us without taking the opportunity to offer a bit of constructive criticism.

The municipalities in Ontario aren't in trouble financially because of mismanagement by regional councils or lack of attention to municipal problems by municipal councils. They are in serious financial problems because of the actions and the inaction of this government.

The list of failures on the part of the government runs a long way. It goes all the way through from the Edmonton commitment to regional government, to the failure to relieve the education tax burden. If I might, Mr. Speaker, I would like to offer a few comments; not on all the problems in all the municipalities in general, but rather a few observations on one of the problems in the regional municipality in which I live, that's Hamilton-Wentworth. The problem I would use as an example would be regional government. I hope you pay attention to that problem, and from beginning to understand that problem perhaps you can understand some of the methods you can use to solve the problems of finances at the municipal level.

Regional government has had an effect not only on financial problems and the finances of our regional municipality and the component municipalities. It has also had a tremendous impact on politics in Hamilton-Wentworth. You recall that in the election of 1971, which was the election preceding the implementation of regional government, the Conservative Party held two of the six seats in Hamilton-Wentworth. Then regional government entered the scene and in the next election Tory representation in the six seats fell from two to one. The regional government continued; the problems grew worse. What happened in the most recent election? Conservative representation fell to zero.

I am not suggesting that the government should have to feel upset about that situation. In fact, I don't mind if you feel happy about losing the member from "Sanity Island"; it doesn't make much difference. But what I think you should do is examine that and examine why you've managed to lose all of your seats in Hamilton-Wentworth.

Mr. Peterson: The NDP almost lost you.

Mr. Davison: Not to a Tory.

Mr. Peterson: Heaven forbid.

Mr. Davison: Yes, I agree.

What the people were trying to tell you was something very simple. They were trying to tell it to you in the strongest terms that were available to the people of Hamilton-Wentworth. After all, we are very peaceful people, not given to violence. When they turfed you out of that area they were telling you that they were upset, that they were discontented with regional government.

I don't think you should make a mistake about the nature of that discontent. I am sure there will be all kinds of reasons and excuses offered. Perhaps it's good for the people of Hamilton-Wentworth in more ways than one not to have a Conservative member, because now you are going to have to listen directly to the residents, the citizens of Hamilton-Wentworth, without the message having to go through a Tory member and perhaps the message can come out a bit more clearly.

The citizens of the regional municipality of Hamilton-Wentworth are discontented because they understand very clearly that it takes more money to run the regional municipality than it took to run the previous system of local government. They are upset and they are discontented because in many ways services deteriorated under the regional system. The people of the regional municipality of Hamilton-Wentworth are further upset and discontented because they understand that your transitional grants are going to run out very quickly and once again they are going to have to assume a greater portion of the costs and they are going to have to have higher local taxes.

That's the guts of the question—that property tax on which we rely for municipal funding. It's not just simply a question of the government shifting more and more of the burden of municipal costs to the local taxpayer. It's also a question of shifting more and more of the education tax burden to the taxpayer in Hamilton-Wentworth.

[4:15]

In the city of Hamilton, for example, in 1975 the provincial grants came to 49.4 per cent of the money spent. Now in 1977 it looks as if they are going to fall to about 40.8 percent. That difference of over eight per cent has to be made up before we can even begin to deal with increased costs.

What that all means in terms of the taxpayer and the tax, is that it's possible for a person in my riding to own a home worth less than $30,000 and pay in excess of $1,200 a year in property tax. That's just nuts. The government has already got its hand as far as it can possibly go into the property taxpayer's pocket and there is just no more money there for the local municipalities. That's the problem the government has to be addressing itself to.

This Bill 6 just does not do the job. I understand the government is not pretending it does the job or is even supposed to do the job, but it's just not going to have

an effect on the spiralling property tax in the way that's needed.

While it won't relieve the problem, we're going to support it because it is better than nothing. But if the government really wants to do something to be of assistance to the people of Hamilton-Wentworth would it please consider—and I ask this of the Treasurer—please consider an immediate review of regional government in Hamilton-Wentworth from the operative, financial and structural points of view.

Mr. Davidson: Mr. Speaker, I will not be too long in addressing the Treasurer. As has been pointed out already by my colleague from Hamilton Centre, we will support this bill—

Mr. Cassidy: You could make your maiden speech on this subject.

Mr. Davidson: —not because we feel it is solving the problem as it exists in Ontario today, but because we feel it is a matter of necessity that we take what little is offered rather than have nothing at all.

I would like also to address myself to those municipalities that have been regionalized over the past few years, particularly the area which I represent. As the members are aware, the riding of Cambridge is a part of the regional municipality of Waterloo. I think they will find also that the people of that area have been addressing themselves to this government in terms of dissatisfaction by means of the election process in the province. It's rather ironic that the riding of Cambridge, which prior to the 1975 election was called Waterloo South, had had for 24 years, as a sitting member of the Legislature, a Conservative member—12 years by Mr. Ray Myers, followed by 12 years of Mr. Allan Reuter, the former Speaker of this Legislatative Assembly.

Mr. Peterson: Decent chaps both of them.

Mr. Davidson: One should have thought that with that kind of a record they should have won the 1975 election. I can assure the House that the reason they did not is primarily because of regional government and the additional costs that that form of government brought to the taxpayers within the municipalities. There are those who will argue, I suspect, from other parts of the region that the section that I represent probably extracts more in terms of dollars from the region than any other municipality. Be that as it may, our municipality and our section of that region, like all others, have found the increased taxes to the residents of that area are such that some people are even now finding it necessary to sell their homes. They can no longer maintain their homes because of the amounts of taxes that they are paying.

Like my colleague from Hamilton Centre, I would urge the Treasurer to give this matter serious consideration. We are having a review in Waterloo at this time. It's an inbred review, if you care to call it that. It was, I guess, initiated by the council from the city in which I live, the city of Cambridge. The other members of the region saw fit to support that move, and there is a form of review taking place. I'm not at all sure it's going to be the in-depth kind of review that is going to be required to find out all of the ills of regional government in the province, and I would ask the Treasurer to give serious consideration to an in-depth study of regional government, not in only the Waterloo region but throughout the entire province. I think in doing so he may very well find some of the problems that are being brought about to the taxpayers, and perhaps with that kind of a review and in-depth study some of those imbalances may be ironed out.

Mr. Laughren: I have some interest in this particular bill because of the problems being faced by the regional municipality of Sudbury and, like other members of the Legislature, there are parts to bills such as this that as a layman I have difficulty sorting out. My understanding of this bill—and I hope that the Speaker will bear with me if I explain what I see as being the principle of this bill and make some suggestions. I understand it increases the per capita grants to the regions from $9 to $10 based on the population of the area municipalities within a region; that it moves from $12 to $15 the per capita grant where the regional municipality is deemed a city under The Police Act; and raises it to $10 per capita for the area municipalities which provide their own police protection and then the region credits the area municipality accordingly; and also, that the resource equalization grant moves from $10,400 to $10,650 and if the equalized assessment is above $10,650 there's no resource equalization grant. That's how I understand it, and as well, for the northern Ontario communities such as the regional municipality of Sudbury, the special support grant moves from 15 to 18 per cent, and that there's a new schedule, called Schedule 2 under the Act, which increases by $1 per capita the grants paid by the province to the municipalities. I've reviewed that because I wanted

to make sure that I understood clearly the provisions of the Act.

When regional government was introduced in Sudbury and we were talking about grants, we said in this chamber that if we were going to introduce as a Legislature a new form of government to the province of Ontario and to the various regions, there needed to be new sources of funding in each of the regions. That has not happened. While we in this party have supported regional government, indeed, I might say, Mr. Speaker—and I'm sure you'd understand this, being a politician yourself—that there have often been times when it would have been politically opportunistic to castigate the whole concept of regional government and indeed to attempt to pull it apart and to balkanize the various regions. We have not done that, because I certainly believe that the whole concept of regional government is something that must be made to work. We really must try to make it work, and that to assume that we can dismantle what's out there now and go back to the old system, I think plainly is just simply not realistic. I think I could use stronger words than that when I think of the way the Liberal Party has played with this issue of regional government.

The provincial government, however, has, I think, showed a lack of leadership and a lack of commitment to the whole principle of regional government as well, in that it has failed, at least for my benefit they've certainly failed, to document the advantages of regional government, the kind of financing that has been made available to the various regions by the provincial government through TEIGA, and have failed to provide new sources of funding for the various regions in the province. All those things would help to make it work.

I remember at the beginning there were funds made available to the regions—if I recall I think they called it public relations money—to help them sell the concept in the various regions that regional government was necessary and, indeed, would work and that there would be advantages. My own view has been that the costs of regional government are very short term and the benefits are long term. It is very difficult to sell to people in a region the idea that this is a good thing when most of the benefits are long term and the costs are short term.

That's a very difficult thing to do, to convince people to bear with us; that we want to make this work and that, in the end, better planning will come about because of regionalization and will in the long run, save us all money and we'll have a better community in which to live.

The province bailed out of continuing support to the regions to help them sell that, not in a huckster kind of way or Madison Avenue kind of way, but to make sure that the documentation was there for the regions, for the area municipalities, for the media in the various regions, that there were advantages to regional government. Sure there were additional costs and sure there were things happening in the various regions which people, and I agree with them, saw as being a duplication of services. This was true particularly in the public works area where you had the region taking over some of the responsibility of the area municipalities and then the area municipalities using up the money in the fields over which they had jurisdiction, such as parks and recreation and area roads. I think the province has to assume some responsibility for not doing a good enough job and if they're in hot water on the whole concept of regional government they must bear some of the responsibility, because they have not carried through a commitment to make it work and to help the regions to make it work and to sell the idea to the people in the various regions.

These amendments are a help. Certainly, the regional municipality of Sudbury was quite pleased with the increase of the per capita grants but there is a particular case to be made for the regional municipality of Sudbury. I suppose that virtually every region will say there's a case to be made for their region, but I doubt if any other regional municipality in Ontario has the case to be made for backlog services as does the regional municipality of Sudbury.

There is a substantial and a serious backlog of services in built-up, established communities in the region. I don't believe that that exists in any other regional municipality in the province. The latest figures that we have from the region is that backlog consists of approximately $60 million. In other words, there is a backlog of $60 million of services—sewers, water and roads—that need to be done now, not for the development of new subdivisions or new communities, but merely to provide services for existing communities.

A couple of years ago, in May, 1975, the regional municipality of Sudbury presented a brief to the Premier. In that brief, they pointed out:,

"Structural characteristics and imbalances neutralize the intent and benefit for Sudbury of the provincial government policies toward municipal governments that work effectively

elsewhere in the province. In spite of high taxes, citizens in the region are precluded from enjoying municipal services to the level enjoyed in the majority of other comparable municipalities in Ontario."

Further, from the same brief they say:

"Everyone recognizes that the regional municipality of Sudbury has a backlog of essential capital projects required to service the existing population. This has been caused because industrial assessment from the mining industry was largely exempt and, therefore, unavailable to predecessor municipalities. Not only is there a backlog at this time, but the financial position of the region with respect to both current and capital expenditures is sufficiently restrictive that if the tax base is not broadened the community will continue to fall further behind the rest of Ontario."

[4:30]

That was in a brief to the Premier in 1975, and I really wonder if the Treasurer's people have ever really understood this. Certainly they haven't done anything about it. In a place like Sudbury there is a perverse relationship between the investment and the assessment that's available to the community, and I will be specific. Between 1968 and 1973 there was $1.4 billion invested in the Sudbury region, and that figure alone exceeded the total equalized assessment in the region in 1975; $1.4 billion invested in the region primarily by the mining companies. That figure that was invested, exceeded the total equalized assessment in the region in 1975.

In that period of 1968 to 1973 Inco alone invested almost $1 billion and at the same time the tax payments that Inco made in the form of assessment to the regional municipality of Sudbury was less than one half of one per cent of the Sudbury area assets.

So the point that needs to be made is that the assessment dollars are not available to the regional municipality despite the enormous investment of capital made by the mining industry. There's something wrong when you have major capital investment in the community and it's not reflected in increased assessed values to that regional municipality—and the same applies whether it's a regional municipality or not.

It needs to be pointed out that, particularly when you have got a backlog of services, that that kind of investment stimulates people to come to the community, to live and work in the community. No one knows better than the Treasurer that that in turn requires expenditures on municipal services; so you have the worst of both worlds in a sense. You have all this increased capital investment; yet you don't have the increased assessment that goes along with it because of the nature of assessing the mining installations, and you have the demand on the municipal services created by the people who move into the community and work in those installations. This puts a tremendous drain on the financial resources of the community, with no new significant municipal revenue. That's wrong in a community like Sudbury. It's particularly bad when you have a backlog of services, and there is no question that that exists.

The businesses in a community like the regional municipality of Sudbury pay an average of 2.2 per cent of their market value assets in property tax. If you have businesses in a community such as Sudbury, the average taxes they pay are 2.2 per cent of their market value assets. If Inco and Falconbridge had paid that 2.2 per cent instead of one half of one per cent of their assets in property assessment, the revenue to the region would have been $34 million, not the amount that they actually paid, which was about $8.5 million in 1975.

If those assets in the Sudbury basin were not mining installation assets but were business assets, then the revenue to the region would have been $25.5 million more. That's for one year. You wonder why the regional municipality of Sudbury and those of us who represent the Sudbury region are saying to you, continually, that something has got to be done about the assessment of the mining installations in the Sudbury region.

Mr. Peterson: What do you recommend specifically?

Mr. Laughren: Well you just stay right there, Mr. Peterson, and I shall tell you. I am glad you asked as a matter of fact.

Mr. Deputy Speaker: Order, please. We don't refer to another hon. member by his name.

Mr. Laughren: Well, I shall attempt—

Mr. Peterson: Just my title; use my title.

Mr. Cassidy: You are testy, you know.

Mr. Laughren: I thought it was preferable to my first inclination.

Mr. Speaker, there are examples of how it can be done. We could look at British Columbia, we could look to Saskatchewan and we could look at Alberta for examples of alternate ways of assessing. I am not suggesting that any one of them has all the answers. Perhaps there is a combination of the ways they do it, but something simply has to be done.

When the Blair commission was in Sudbury, I appeared before it on behalf of my colleagues in the Sudbury area. International Nickel appeared before the Blair commission and the regional municipality appeared before the Blair commission. We were all saying basically the same thing; including, believe it or not, Inco. Inco was saying what we were saying; let us pay more to the community from which we derive our wealth and less to Ottawa and less to Toronto. We supported that all the way down the line.

For example, in assessing machinery and equipment, Alberta uses a particular figure. I am not enough of a tax expert to know whether this would apply here, but they use a figure of 22.5 per cent of 1963 replacement costs as the basis on which they assess for tax purposes the machinery and equipment.

In Saskatchewan, they tax machinery and equipment in mines and in oil refineries; but no, not in Ontario. We still go through the process, which this bill also does, of providing per capita grants from the province, This makes the municipalities more dependent upon the province and provides them with less local autonomy, less control and less ability to plan for the future, because they don't know from one day to the next what the grants are going to be from Queen's Park.

But it's very difficult for a region to say, when the grants are increased such as this bill provides, "No, we don't think that is the right thing to do." Of course they need that money; they are only saying there really is a better way, so that they have more control over their own financial planning.

We know that what the local industry doesn't pay the local taxpayers do have to pay. So it is not as though the province always picks up what is lacking. That's why we have a backlog of $60 million worth of services for existing communities. I cannot stress enough to you, Mr. Speaker, that it is the existing communities that are doing without the services.

To this day in the Sudbury region we have communities with no water; where in the wintertime people melt snow and in the summertime haul water in pickup trucks with a tank at the back of the truck. Those are established communities that have been there for many years. Because the region cannot provide the funding to put in sewers and water, to this day they rely on these per capita grants which the Treasurer is bringing before us today. That's how they get their funding, not through a more sensible assessment of local industry so that they can do the planning themselves and not rely on handouts from Queen's Park.

We know that it is possible to assess underground machinery; we know that it is possible to assess what they call foundation, using the foundation concept as assessment. As a matter of fact, the former Minister of Revenue, Mr. Meen, suggested at one time that he was giving serious consideration to that kind of assessment for mining installations.

Now one of the arguments that is sometimes made is that not only could you have these per capita grants, as outlined in this bill, but you could tax the mining installations as a business realty.

That makes me very nervous, because as I understand the legislation, when a business tax is imposed the business assessment revenue goes 40 per cent to the school boards, 30 per cent to the area municipalities and 30 per cent to the region. That's not the kind of revenue that the region needs, considering they are responsible from some of the roads, for all the water and sewer projects and other responsibilities of the region. so the idea of taxing the installation with a business tax I don't think is the answer.

Strangely enough, as I mentioned, International Nickel agreed with our position, and I want to tell you that when I have the opportunity to put something on the record in which Inco agrees with what the local New Democrats say I think it's only proper that I do so. I quote: "Inco submits that an enhancement of the business assessment of mining properties to compensate mining communities for mining activities within their boundaries, plus the downward revision of the rate structures under The Mining Tax Act, is the most practical way to facilitate the additional compensation to mining communities. Anomaly should be reduced in the mining-tax system. The result would be to permit more of Inco's dollars to be paid directly to the communities in which we operate."

As I said earlier, I don't agree with the business tax concept as opposed to taxing in a proper assessment kind of way, but the idea that more taxes be paid to the local area or region rather than to Ottawa or Queen's Park is something with which I can agree. And of course Inco isn't going to ask that they pay more taxes over all. They're saying that the increased taxes locally be compensated for by a downward portion that they take in Ottawa and in Toronto.

International Nickel agreed that more taxes be paid locally. The region agrees, the area municipality agrees, the local provincial members agree; and only this government dis-

agrees. Only this government insists on providing, as always—as this bill does—the per capita grants as the answer to revenues for the regional municipality of Sudbury.

I want to tell you, Mr. Speaker, that while these grants, these increases as contained in this bill, will ease the problem, they won't solve it. The region has financial problems, primarily with capital projects—sewer, water and roads—and with that $60 million backlog, plus a debt for the region of $131 million approximately, there is not very much happening, not enough happening in the Sudbury region for new projects; and it won't happen until we get some relief at the local level.

There have been figures thrown around that if International Nickel would pay an extra $6 million a year at the local level it would ease a lot of the burden, and in 10 years that $60 million, that $61 million backlog, could be solved. Certainly there'd be no disagreement from the region, there'd be no disagreement from the local industry and there'd be no disagreement from the local provincial members. It's beyond me why the provincial Treasurer continues to refuse to change the assessment in collaboration with his Minister of Revenue (Mrs. Scrivener), refuses to change the way in which the local industry is assessed.

It can be done. There are comparable jurisdictions where it is done, I've given examples of that. I firmly believe that the benefits for local autonomy and the ability of the local region, the regional municipalities, to plan in the long-term, that they have more control over their own destiny and are not so completely dependent on the provincial government, I think these things would be major assets.

One of the purposes of regional government was that they would be able to control their own destiny more, that more decisions could be made at the regional level and less here in Queen's Park. The answer, certainly at least in my view, is not to give the region a share of resource taxation. I think resource taxation is already divided up in a strange enough kind of way and to bring the municipalities, the regional level, into resource taxation simply does not make sense. It has to be done through assessment, for the reasons I've outlined.

Putting it under business taxation doesn't make sense, resource taxation does not make sense; that leaves assessment. I fail to believe, I cannot believe, that it cannot be resolved if the Treasurer and his people would put their minds to it. I'm firmly convinced it needs to be done and I don't think it matters whether it's through some kind of foundation assessment or whether it's through a taxation of machinery and equipment. I would urge the Treasurer to consult with his colleague, the Minister of Revenue, and let's get on with providing the regional municipality with the kind of revenues it deserves considering the kind of wealth that has come out of the Sudbury region over the years.

[4:45]

Mr. Cassidy: Mr. Speaker, I'm glad to see that the Treasurer is in here, because the budget debate in April and the brief debate we've had this week have not given the opportunity to talk about municipal finance issues to any great extent. I think it's appropriate to say one or two words about those particular issues. The Treasurer will be relieved to know that I'm sending away the additional material I planned to use.

Mr. Laughren: There was quite a pile of it.

Mr. Cassidy: Yes, there is quite a pile of it. I haven't had a chance to look at it.

I wanted to say, Mr. Speaker, that this bill is like the tip of the iceberg, if you will. It provides an opportunity to debate questions of municipal finance, but as a contribution to municipal finance on its own it is almost irrelevant to the overall picture. A dollar or so on the general support grant, a couple of dollars on the policing grant, a modest amount of improvement in the special grants to northern Ontario municipalities, which I may say is the only part of the bill I find anything exciting in.

The bill as a whole is a dud. The approach taken by the Treasurer is a dud. It simply repeats what this government has done in the field of municipal finance over the last few years. Beneath the surface of the surrounding water one finds that the government is slowly eroding the structure of support for municipalities, which was put into place over the period of the early 1970s. This is a regrettable kind of trend which is certainly at work here with the present Treasurer. He has been busily undoing all of the progressive or semi-progressive things which were attempted by his predecessor, the Hon. John White. One has to assume, one has to hope, that if there is ever again a Conservative Treasurer in this province after the member for Chatham-Kent, that he in turn will try and undo some of the damage which is being wreaked by the present Treasurer during his present term of office.

I looked at what happened two years ago when this bill was last before the House and my impression really is that nothing has changed. In fact, I seriously considered reading into the record a number of the comments which I made to the House at that

time because it seems to me that they are just as germane and relevant today as they were at that time. Since the member for London Centre wasn't here at that time I thought he might be interested in hearing—

Mr. Peterson: You are prophetic, though. I read the stuff back then.

Mr. Cassidy: Okay. Anyway, it is down for posterity.

The point is this, Mr. Speaker—and I'm going to back this up with material which has been prepared by the Canadian Federation of Mayors and Municipalities, because they are extraordinarily concerned and we've been concerned for a long time—the trend is still continuing that the responsibility of providing government services percolates down to the local level, the level of government which is closest to the citizens and to the population; but it is precisely that level of government which continues to be the area of government with the least access to the necessary resources in order to carry out its task. Instead of resources, they get pious words from the Treasurer about the need for them to exercise restraint.

The fact is that whether you are talking about recreation or culture, whether you are talking about adult education, whether you are talking about social services, day care or public transit, all of these are areas where the buck stops at local governments. They are the ones who increasingly have to carry the burden, and increasingly have to carry it alone.

The second trend that is occurring is that the change in fiscal gears which this Treasurer has implemented for Ontario is being carried out at the expense of local government. I would say to the Treasurer that Ontario is not only a villain, it is also a victim in this particular pattern. As he pointed out in the debate yesterday, when the federal government adjusted its payments and tax sharing with the provinces, it managed to transfer certain responsibilities to the provinces without giving up all the appropriate tax room or tax grants. The feds have been doing this to Ontario, but Ontario has been doing it—and in spades—to local government.

The Treasurer here says: "We're going to keep our spending down to a certain limit." But part of the way he has been doing that has been to cut back on the growth in grants to local governments. As an inevitable consequence, this forces very substantial increases in property tax rates, because that is the only meaningful source of alternative revenue for the local level of government. Local property tax rises, people go in outrage to their city hall and kick out the bums they think are responsible for it and bring in a new set of politicians to the local level. The fact is that the real villains are sitting on that side of the House and the chief among them is the Treasurer.

I find as well, and it is typical I suppose, that the minions who work for the Treasurer, during as well as between elections, in between the time they spend in trying to cost NDP programs, have come up with yet another misleading kind of statistic which helps to insulate or isolate the Treasurer and his party from what is happening out there in the real world as far as property taxes are concerned.

I want to cite to you a table which is on page 12 of the budget. The Treasurer says that the accompanying table shows that property taxpayers are still relatively better off than in 1970 or 1972, but that important ground was lost during 1976 when the average property tax rose to 2.5 per cent of household income. And the latter was due, he says, exclusively to the increase in education taxes. Now for 1976 the Treasurer's figures estimate that the average property tax in Ontario, average residential property tax per household in 1976, was $499 or $500. If that was 2.5 per cent of average household income, then that means they are taking an average household income of $20,000 against which to compare. Now we all know the story about the statistician who drowned in a pond whose average depth was 12 inches. It seems to me that the situation we have depicted here is either misleading or wrong or both, and certainly it is designed to mislead.

In Ottawa, where I live, the people I represent are paying an average property tax far greater than $499 per year. In fact, property tax increases in the current year for many of them amount to around $100; and that compares with the Treasurer's table which says that the average property tax increase between 1970 and 1976 is all of $130 per household. I don't know where these figures came from; maybe they came from Manitoba or Saskatchewan or some other well-governed province like that, but I cannot see how they come from the province of Ontario, and in particular from our urban municipalities.

I found, as I went my rounds in the election campaign this time, that the day of the $1,000 property tax is here. And $1,000, $1,100, $1,200 property tax on a typical bungalow is not just what applies to the better areas of Rockcliffe or Alta Vista, the better end of Chatham, or the

better end of cities like Toronto. It's applying all over.

People in ordinary circumstances are paying taxes of $1,000 to $1,200 or $1,400, or more. Today I happened to run into a fellow I would have thought was well fixed to look after himself, a real estate agent, and he told me that he "lucked" into a house, or got into a house, where the taxes were about $1,200 and he thought he could afford that particular sum three years ago. The taxes on that residence have now risen to the level of $2,000 or more. This particular individual, who should in no way be concerning himself with the impact of taxation in the province of Ontario is finding himself considering whether or not to even maintain himself in that house.

I don't know where the Treasurer got these figures. I think he must have dreamed them up, like he dreams up the other figures he puts forward when he tries to contend that things are not as they actually are out there. The problem is this: If you go down a typical residential street in my riding you find any number of people in different types, sorts and conditions. An average is just that, it's an average of everybody and it certainly does not take into account the different circumstances of typical homeowners.

On one street in my riding I can have in one house a young couple, both of them working, with $10,000 saved—because they are assiduous savers—to put down on a house. It costs them $500 a month and the taxes cost them an extra $100; but they both have a good income and they can afford it. They can also afford to take trips to Greece and other luxuries which are not available to most of the population. Their family income may be $25,000 or $35,000 and the property tax burden is not really anything substantial for them to worry about. They make their contributions to the income tax, and that's as it should be.

Next door to them a couple about five or six years older were in similar kinds of circumstances five years ago, but today they have heavy mortgage payments to pay, they have two young children to support, and they have a joint income of $17,000 or $18,000 because of the fact that the wife has stopped working in order to maintain the children. They are finding things are very, very difficult, and when they find they have to pay an extra $10, $12 or $15 a month in property taxes, that is the end of the line, that's the straw that breaks the camel's back.

Next door to them are an older couple who never had the advantages of high incomes which are available to people today, with only one income because it was not the tradition in those days for both spouses to work, an income of only $13,000 or $14,000 a year. They are finding it very difficult because their taxes are going up at precisely the same amounts as the young, affluent couple down the line.

Next to them are a couple who are retired, whose income has now dropped to maybe $6,000 or $7,000 a year and who are having to face property taxes at $1,000 or $1,200 a year. Against that, the property tax credits which have not been changed in three years and which come from the province are inadequate to provide any real level of protection. They are paying as much as 20 per cent of their total gross income in property taxes; and that, I suggest Mr. Speaker, is deplorable.

Hon. Mr. McKeough: Gross.

Mr. Cassidy: Gross; that's right, sure.

Hon. Mr. McKeough: Not net.

Mr. Cassidy: But when the $100 increase comes in they have to pay it. They're not in the position, this hypothetical couple, of having a $20,000 income and only $500 in tax to pay, because that situation is, quite simply, not real for most homeowners across the province.

Hon. Mr. McKeough: If the taxes were $1,000 with that income they would have barely 12 per cent—

Mr. Cassidy: It doesn't matter. They still have $500, or 12 per cent, of their total income to pay.

Hon. Mr. McKeough: That's right, not 20 per cent.

Mr. Cassidy: Twelve per cent, Mr. Speaker, of an income like that, of a poverty-level income, to pay more in property tax than they have to pay in any other tax in the province, it seems to me Mr. Speaker, is an unacceptable position to be in.

Hon. Mr. McKeough: It's not 20 per cent.

Mr. Cassidy: I think that a Treasurer who says that people like that should be forced out of their homes, should be forced into senior citizen housing, should be forced to start depending on the public for annual subsidies on their rents of $1,200, $1,500 or $1,800 a year rather than being self sufficient; I think a Treasurer who says that has an unacceptable kind of point of view. They find it unacceptable and I find it unacceptable, both in social terms and also as a tax-

payer who makes some contribution to provincial taxation here in this province.

We have a situation, and it's deplorable, where whatever legal devices are available are being used by older people who are driven to the wall by property taxes in order to get rid of their houses. They transfer them to the next generation, they give them to their kids, they sell them and give the proceeds to their kids, they do whatever it is possible that is legal; and then they apply for senior citizen housing. Because the Ontario government is not prepared to carry out any kind of a commitment such as a charter, whatever that means, in order to protect our older citizens who have homes of their own, we are finding that people are instead, willy-nilly becoming charges on the public because we subsidize them in senior citizen housing put up by OHC.

The senior citizen housing is a good program, but we're putting up too much of it, however, in relation to family housing, which is also desperately needed. One of the reasons we are doing it is that people are forced out of their homes to go into senior citizen housing.

Is the Treasurer aware of the subsidies that are being paid there? I don't care whether it comes out of federal pocket, provincial pockets or municipal pockets, it's still taxpayers who have to pay. It seems to me ludicrous that for not being able to afford $500, $700 or $1,000 in property tax people are drawing on the public Treasury in housing subsidies to the tune of $1,200 or $1,500 a year. It's an unacceptable kind of situation.

Mr. Speaker, the Federation of Canadian Municipalities pressed very strongly—I was at the conference about three years ago, the tri-level conference that was held at Trent University, where there was a very strong effort made in order to have a review of municipal financing in the total government spending picture and not just of federal and provincial financing. A tri-level task force on public finances was set up under the late John Deutsch to look at their particular situation, and at the situation in the municipalities; and what they came back with was, to put it mildly, not encouraging. Certainly it is not any more encouraging in view of what the Treasurer appears willing to do in this particular bill.

[5:00]

The federation's review indicates the following, and I quote: "These trends suggest that autonomous municipal government will not survive without either huge increases in property taxes or unacceptable cutbacks in services that city residents now demand, or both." Demand? I raise my eyebrows a bit at the use of that word. But it seems to me that we've now got to the point, if there was any fat at the municipal level, where it's not a matter of excessive demands being put at the municipal level of government, it is a matter of municipalities being required to implement programmes at the behest of the provincial level of government, and not having the resources to do it. These are essential services as well.

A good example is day care. Without adequate day care, Mr. Speaker, we have people who remain on the welfare rolls and who will be on the welfare rolls from now to kingdom come. Each welfare recipient brings an annual cost of $5,000 a year to taxpayers at all three levels, perhaps a lifetime cost of $30,000, $40,000 or $50,000. Or, perhaps even a continuing cost because of the cycle of poverty caused as certain youngsters come on to the welfare rolls because that's the way they learned to live from their parents. Cutbacks in day care are induced by the pressure which the Treasurer puts on municipalities because of inadequate arrangements that are made with the municipal governments. This leads to inadequate social services, inadequate municipal services, and piles up difficulties which we will all be responsible for in the future. The federation states: "It is academic whether the trends develop into such a nightmare that they suggest for 1981. There is no need to go beyond present documented facts. They clearly show that municipal government is in crisis right now. The outward signs are the steady loss of municipal power and increasing financial constraints. Grants from provincial and federal governments come with so many strings attached and represent such a large part of municipal budgets, that municipalities are becoming puppets in a show run mainly by provincial governments."

Well, you only have to think about what's happening in the field of education, which is a major area of provincial grants to the municipal level, to realize that is precisely the case. Curriculum, the number of schoolbooks, the size of desks, the amount of capital spending, every single element in the education system is constrained to the extreme by direction here from Queen's Park. My school principal told me today, when I called him this morning, that he had to go very quickly because the province was coming down with new curricula requirements for grades seven and eight, they were going to leave a lot less flexibility to the teachers

in English and arithmetic than had existed in the past.

The whole question of municipal autonomy increasingly becomes nothing but a myth. The federation says, "The municipal government need not be in a crisis, but is, and it's getting worse." It says the situation is getting worse because although the Canadian public finance system works fairly well when you bring all three levels together, it's the feds and the provinces that are handling it okay and it's the municipalities that are always being treated in a totally inadequate fashion. It says, "They don't meet their responsibilities, they keep running into a chain of annual new debt, a spiral of dependence and increasing hopelessness. Cynicism and apathy arise in city councils and among municipal voters."

Those are strong words to come from the Federation of Canadian Municipalities. They sense from their membership—and I know that this would be echoed as well with the Association of Municipalities of Ontario—that desperate feeling of never being able to get ahead on the treadmill. They feel constantly compelled to go back to property taxpayers whom they know can't afford that kind of taxation because of the inadequate deal for public finance which is being made with the federal and provincial governments.

"The system," they say, "leads to more and more financial reliance on daddy"—that's Daddy McKeough over there—"and less and less independent self-government."

Mr. Laughren: Daddy McKeough?

Mr. Acting Speaker: Order, please. The hon. member will refer to members of the Legislature in the proper terminology.

Mr. Cassidy: Mr. Speaker, I believe I said yesterday that I would resort occasionally to more familiar, intimate and personal terms with—

Mr. Acting Speaker: It's still out of order. Will the hon. member comply with my request?

Mr. Cassidy: I am speaking on the point of order, Mr. Speaker, in order to try to make some impact on him. I've been in this House for five years and I've used the formal form of address consistently through that period, Mr. Speaker, but it's had no impact.

Mr. Acting Speaker: Order, please. I don't consider that a point of order. I would again request the hon. member to comply with my decision. What has happened in the past does not concern me at the present time.

Mr. Cassidy: Mr. Speaker, I have to consider the options. It's either intimate terms of nomenclature, or abuse, or both.

Mr. McClellan: Resort to abuse.

Mr. Acting Speaker: The hon. member will continue in proper parliamentary language.

Mr. Cassidy: Okay. With reference to his excellency, "daddy," the hon. Treasurer of Ontario—

Mr. Acting Speaker: Order, please. The hon. member will kindly refrain from intimate references to any other hon. member and will use proper parliamentary respect in this chamber while I'm in the chair.

Mr. Cassidy: I didn't know "daddy" was a term of abuse. I withdraw the term, Mr. Speaker.

The federation says: "This obvious democratic accountability at the local level is being eroded by a more sinister accountability to bureaucrats, mainly in provincial capitals."

I have to say, as an elected member, I'm very conscious of that and very unhappy about the fact that in many, many programs which are ostensibly municipal, the only real avenue for democratic accountability is through me and the other five elected provincial members at Queen's Park and through the government.

"This relationship," says the federation, "is forced by the municipalities' dependence on the system's conditional grants."

The federation wants, and we want as well, municipal government that's much more free of conditional provincial grants and that has direct access to a wider range of tax revenues.

Mr. Speaker, if you look at the figures that are given in the Treasurer's budget, he estimates that $3.4 billion will be provided to municipalities in total financial assistance this year. The amount of money which we are dealing with in this particular bill is, at best, about $30 million to $35 million, or about one per cent of the overall assistance. And not all of that one per cent is unconditional because the police grants are clearly tied to spending on police—spending on police, I might add, is usually carried out very much at the direction of the Solicitor General and of the provincial authorities, because there's so little municipal control over the police forces.

The trends which the federation sees at the national level are certainly true at the provincial level as well.

I wish there was some way that I could put the tables that I'm going to read from on the record, Mr. Speaker, because the red ink which relates to the municipal level of government so graphically illustrates the kind of

financial crisis which they're in right now and which the Treasurer is so unwilling to rescue them from.

The federation says, as I've already mentioned, that the Canadian public finance system in the global sense is well balanced and effective, but there's an imbalance of local government finances which is a constant and increasingly striking feature of the system. Their graph shows, in red and in black, that the feds go from deficit into surplus more or less on an even basis, although, in the last couple of years they've lurched into same substantial deficits.

"Provincial revenues, provincial budgets in general, also cluster around the balance"—they're red half the time and they're in the black half the time—"but local government is consistently in the red and the situation has gotten much worse in the years from 1971 to the present."

Next, they point out and they say: "The constant imbalance and deficits of local government are not due to careless spending or lack of control by local administration."

They point out, for example, that in one area where any government has got about the greatest control over its spending, which is the general administrative category, that 4,000 municipalities spend an average of $23 per capita on general government, the 10 provinces were spending an average of $69 per capita on general government, and the feds were spending an average of $77 per capita on the function of general government.

In other words, Mr. Speaker, the municipalities continue to demonstrate an ability to be careful in their use of the taxpayer's dollar. One of the reasons for that is, very simply, that they are close to the electorate and not as removed as this government or as the federal government is.

"The Canadian public finance system, however"—as the federation points out—"has provided the federal and provincial governments access to a variety of revenues which respond to the economy, while local government has to rely mostly on the traditional one-tax source, the property tax." In Ontario, that is exacerbated by the fact that instead of having a tax base which expanded with property values, as would have happened if we hadn't had the freeze on assessments in Ontario beginning in 1971, we have had a frozen tax base at the municipal level for the past six or seven years, and the evidence is that it is going to continue for another two, three or four years. God knows how long it is going to be; I suspect this government won't be in power when we get property tax reform in the province.

Interjection.

Mr. Cassidy: Well, I don't know. I just have to say, though, that that means that the only increase in the local base of taxation for municipalities is because of new construction and because of a minor amount of reassessment resulting from improvements to commercial property and the occasional improvements to local property. Local governments have no access to growth taxes, and the revenue from property taxes has been among the least rapidly growing kind of tax. If the income tax were a municipal tax, there would have been an automatic increase in revenues of 12, 13 or 14 per cent every year over the past 10 years but the property tax, with no change in tax rates, provides virtually no increase in tax revenues.

The tables here—perhaps the Treasurer can even see the way that the red lines are increasing—show the degree to which local government net borrowing has been increasing year after year over the past two and a half decades. The red also indicates how, across the country as in Ontario, transfers to local government remain mainly conditional rather than unconditional. Even here in Ontario, for example, the Treasurer's own figures show that between 1970 and 1977 unconditional grants in Ontario have risen by about $400 million but conditional grants have risen by four times that amount, or $1.7 billion. So much for the commitment to try to put the municipalities on to a better basis with unconditional grants.

The federation points out as well that local government is the only level of government that suffers chronic deficits. The other two levels of government basically are able to balance the situation and are not in a situation of running into chronic debts. That may be a bit different for Ontario; I have to say, though, because I will be saying it on the next bill, there is a lot of evidence that the whole deficit situation of the province has been overplayed by the Treasurer just as his quest for a balanced budget is a phoney and misleading kind of an exercise.

The Federation of Canadian Municipalities concludes that it doesn't find a villain. This is not a deliberate plot to short-change local government. It's simply that the provincial and federal levels of government, their bureaucracies acting in their own self-interests, have left the needs of local government behind. The government, responsible to the Legislature here in Ontario, has failed to offset those particular tendencies and, therefore, local government has continuously been short-changed.

"Their being short-changed," says the federation, "is the result of the total inadequacies of the system of public finance that has built up in the post-war period and is the result of a failure to recognize the fundamental role of local government and the magnitude of its task."

As several of our speakers have said, we are going to support this bill. It is better to have a tenth of a loaf than nothing at all and we want to be able to say to the municipalities, "Look, whatever was there, we allowed you to get." Nevertheless, I want to put on the record this feeling we have that the fundamental fiscal reforms for municipal government that could have been embarked upon—in fact, they were being launched by the former Treasurer, John White—are being rendered nugatory, to use a word from the member for Lakeshore (Mr. Lawlor), by the actions of the present Treasurer.

I want to bring in some material from the Mayo commission report on the situation in Ottawa-Carleton, which bears both on regional government and on the whole financial situation. I have to say, with my colleagues, that I have a fairly substantial feeling that we have been wasteful in regional government in Ottawa-Carleton. There has been unnecessary duplication. There have certainly been enormous problems in terms of responsiveness on planning and other issues and we have spent more that way than we should or could have.

However, when you look at it in detail, the situation, while serious, is clearly not just the fault of feckless local politicians. There is an enormous pressure of need and of demand and from senior levels of government which has contributed largely to the situation in Ottawa-Carleton and which, I would submit, has been the case in other regional municipalities as well.

[5:15]

Between 1969 and 1975, federal spending increased by 142 per cent. Provincial spending in Ontario increased by 143 per cent. Spending in the regional municipality of Ottawa-Carleton increased by 212 per cent. In other words, it was going up half as fast again as federal and provincial government spending. That's pretty excessive. When you look at the categories, you can see some quite extraordinary increases in spending. General government spending in that six-year period was up 160 per cent; environment up only 73 per cent and health only 84 per cent—there was a fair amount of control right there—social and family services, 133 per cent; but planning and development was up 4,271 per cent and transportation, an increase from $6 million to $37 million, an increase of 540 per cent.

Some of that transportation spending is a result of transit subsidies, which we support. That's simply taking from private pockets and putting into the public sector certain expenses which are necessary, desirable and contribute to a better-balanced transportation system in the municipality and a better quality of life for people in the region of Ottawa. We've got a good transit system in Ottawa right now.

However, when you look at this in detail and look at the increases, look at how many result from pressure from the provincial level of government. Social and family services are mainly categorical. If somebody comes in and is in need and walks into the office on Richmond Road in Ottawa-Carleton and says, "I need a handout, I need some welfare," the municipality is obliged to give that person and his dependants support, if they come within certain criteria which have been laid down by the provincial minister under regulations coming out of this municipality.

New public health clinics: Public health clinics and services are mainly instigated because of pressure from the provincial government. If, in fact, you look at it, you realize that public health is an area of great need in the province right now because of the over-emphasis on health services for people who are sick and the need of preventive services in order to keep people from getting sick in the future. If we have good public health services in Ottawa-Carleton, then we keep people out of hospital, we keep them from getting sick, we keep them from becoming a charge on the public and we keep down the cost of OHIP. Therefore Ontario saves while the Ottawa-Carleton regional municipality spends.

Sewage treatment plant: I was a member of the regional council in Ottawa-Carleton for a period of about two and a half years. During that period we endorsed and authorized major sewage treatment works dedicated to ensuring that there was full treatment, both primary and secondary and a certain amount of tertiary treatment, of all sewage that was produced within the region. That also was a result, not just of local demand, but of provincial regulations which have been very stiff. I think we all agree with that kind of emphasis on environmental criteria in urban development. We agree with that, but look who is having to pay the shot. The shot is coming at the local level through the regional municipality which has got to pay the piper for those particular services.

Solid waste disposal, a new field, is also coming as a result of provincial pressure. The culture and recreation field, which I mentioned before and which is growing very fast, is a bit of something else. As we move into a different kind of society it so happens that the municipalities are the body with the greatest stake in the culture and recreation field, an area where there are enormous demands for increases in services, not just for our kids, but for adults. I have been reading about what happens to people at the age of 40, having achieved that distinction myself. They start to think that maybe there's something else to do besides indulging wholly in work-related activity. They want to go and play tennis. They want to sail. They want to ride. They want to row. They want to do other things like that. They want to paint. They want to act. All of those things should be encouraged and they are being encouraged at the local level of government. But somebody's got to pay the cost of those things in our post-industrial society, where people who work hard and make a contribution are also entitled to expect that services like that will be made available.

It seems to me as well we can't just say, "Let them go and pay for it themselves." There are many people who have worked hard and made a contribution but are not in a position to be able to afford it. We have come to the point of view, which I think is valid, that it isn't just school kids who should get services regardless of whether or not they can pay for them, but in fact adults should have access to a certain basic level of cultural and recreational services at the local level.

Those are a few facts and figures which underlie the increase from $26 million in regional municipality spending in Ottawa-Carleton in 1969 to $82 million in 1975, and a figure which I suspect is over the $100 million mark today.

I didn't mention day care. I didn't mention some of the other social services. I didn't mention new needs which are identified but which will not be supported by the province because the province is sufficiently remote from local needs that it washes its hands of those particular problems.

The problems continue to come back to roost on the local level of government, and they have to decide whether to do something about it, or whether to simply leave the situation to fester and to come back in spades at some point in the future. One of these days we'll get around in this Legislature to debating the new children's services proposals which are coming from the Minister of Community and Social Services (Mr. Norton). He wants regional children's services committees which will apparently supersede the local Children's Aid Societies. That's another new responsibility being loaded onto the local level of government.

I can't help feeling that the cutbacks in Children's Aid support by the province two and a half and two years ago have led directly to the need for a much greater program of children's services today, and that once again it is the local level of government which is going to wind up carrying the can for a provincial priority which, while however desirable it may be, is another example of the province calling the shot and municipalities having to pay.

We've heard enough words from this Treasurer and his predecessor resenting the imposing of programs from Ottawa on the provincial level of government. We've heard that speech again and again from Ontario. We've heard it just recently in response to the Minister of Energy's proposals for a $350 federal grant provided that the provinces comply with certain other conditions that the feds want to impose on us.

But why is it that what's wrong for the feds to do to Ontario is okay for Ontario to do to the municipalities? Why is it that the government feels that it can justify making the municipalities do things, making them pay for it, making them increase their taxes, and then Darcy McKeough can go off to conferences of municipal officials and say "Look, the need for restraint has not ended. You're still in a jam and you're going to stay in a jam as long as I remain Treasurer and much longer than that as well."

Mr. Speaker, I want to conclude by saying—

Interjection.

Mr. Cassidy: The peanut gallery is along. You know, the new member from—

Mr. Acting Speaker: Order, please. Would the hon. member return to the principle of the bill.

Mr. Cassidy: I'm sorry. There was an intervention, Mr. Speaker, by the member for Wilson Heights, and I must say—

Mr. Maeck: No there wasn't.

Mr. Acting Speaker: Order, please. The hon. member will return to the principle of the bill.

Mr. Cassidy: I hope that the member for Wilson Heights speaks on this bill, as a matter of fact. He is probably more qualified than any person who has come into the Legislature in this election, the election of 1977, to talk about problems of municipal finance.

Mr. Laughren: We assume he is.

Mr. Cassidy: I have serious questions about his political instincts. I have no question at all about his administrative instincts, and I think that he may—

Mr. Acting Speaker: Order, please. Perhaps the hon. member will refrain from discussing the personal merits of the hon. member for Wilson Heights and return to the principle of the bill.

Mr. Deans: Don't let them interrupt him. He was doing well.

Mr. Rotenberg: He was doing fine by me, thank you.

Mr. Cassidy: You know, I tried to heap abuse on the Treasurer and you stopped me, Mr. Speaker. I tried to heap praise on the new member who hasn't even made his maiden speech yet, and you stop me as well. I feel that the constraints are—

Hon. Mr. McKeough: Why don't you try talking about the bill?

Mr. Cassidy: I have been talking about the bill because $30 million is entailed in the bill, and that is all the government is giving in terms of new support money. It recycles this bill every couple of years. It can't think of anything better to do with municipal financing than to come up with this. Frankly, it is inadequate and is no way to handle fundamental problems in the area of municipal financing.

Mr. Acting Speaker: Will the hon. member return to his debate on the principle of the bill?

Mr. Cassidy: That was clearly the principle of the bill.

Mr. Maeck: It was not.

Mr. Cassidy: I want to say that it was back in 1965 that the member for York South (Mr. MacDonald), advanced in this House the proposal for a municipal foundation plan. That was one of the most far-sighted contributions to political debate in the province that this Legislature has ever had. It is a pity that that proposal has never been adopted by the government as the basis for municipal financial reform. The proposal is a simple one. It would ensure that the same mill rate would yield the same amount of revenue per capita whether it was in Kapuskasing, in Gogama, in Wentworth, in Ottawa or in Toronto.

Mr. Maeck: The voters didn't like it.

Mr. Laughren: Oh, yes, they did.

Mr. Maeck: No, they didn't.

Mr. Deans: And Wentworth particularly liked it.

Mr. Cassidy: The situation we have right now is the following. If Toronto decides that it is not happy with what is coming out of the provincial government and wants to raise taxes by a mill or two in order to carry out certain of its own priorities, it can well afford to do so because of the enormously lucrative property tax base which it enjoys. That goes for Metropolitan Toronto, and that goes for Ottawa in a relative sense as well.

But the situation is not the same when you get to the small municipalities of the province. They may have to raise their taxes by three or four or five mills in order to get the same amount of revenue per capita that a one-mill increase will raise in Toronto or in Ottawa.

The consequences of further widening of the disparities between the rich, well-endowed municipalities on the one hand, and the poorer, outlying municipalities, on the other: We are beginning to hear more and more, and I think it is valid—we have said it many times—about the need to decentralize economic activity in this province and about the need to stop the outflow of population from our small towns and municipalities. We think that is very important. We have talked about it in the context of provincial planning. It is important to talk about it in the context of municipal fiscal situations as well.

If Smiths Falls or Capreol or Kenora or Chesley cannot afford a level of municipal services comparable to the services which are provided in the big municipalities like Toronto and Hamilton and Oshawa, then they are simply going to fall further behind. They will lose the capacity to attract industry. They will lose the infrastructure which makes them pleasant places to be and they will increasingly lose their young people.

Mr. Maeck: Maybe they don't want all those services.

Mr. Cassidy: Parry Sound as well, I might say.

Mr. Maeck: Maybe some of them don't want all those services.

Mr. Cassidy: If that is the case, then they can benefit their people by giving them a lower tax rate.

Mr. Maeck: You wouldn't force them into it, would you?

Mr. Cassidy: No, I wouldn't. They can have a lower tax rate as an advantage of living in the smaller municipality. But now people neither get the services nor the lower tax rate. That choice is not available to them. We have seen an inexorable flow of population into the very large cities with enormous problems of urban stress, high housing prices and high prices for commercial and industrial

land. It has contributed in a very direct way to the lessening of competitiveness of our own industry. All sorts of problems have arisen from this.

In the education field we do have a foundation plan. Thank God for that. That ensures that whether people are in Renfrew, Toronto, Windsor, or up north, that up until recent changes in the plan there was, relatively speaking, an equality of expenditure on education per student in the north, the south, the east and west and every part of the province. But that is not the case at the municipal level. I want to urge the Treasurer over the coming months to look very carefully again at the municipal foundation plan which was put forward by the member for York South a dozen or so years ago and which we have raised repeatedly in this House as a promising way to restructure municipal finance.

It seems to me that that is compatible with more accountability at the local level, with more assumption of responsibility and that it is a means of getting away from the increasing number of conditional grants with which municipal autonomy is now being hemmed in.

[5:30]

With those comments, I will leave it to others of my colleagues to comment on different parts of the bill. Although we support the bill, because it is better than nothing, we find that this process of giving a buck here, a buck there, is a totally inadequate answer to the problems of municipal finances.

Mr. Acting Speaker: Before we continue with the debate, pursuant to standing orders 27 and 28 I am required to inform the House that the hon. member for Wentworth North (Mr. Cunningham) has filed notice of his dissatisfaction with the answer to a supplementary question relating to regional government in Hamilton-Wentworth asked of the Treasurer earlier this day. This matter will be debated at 10.30 p.m. on Tuesday next.

Shall we continue with the debate on Bill 6?

Mr. Deans: I'm not going to take very long because obviously much of what should be said has been said. Neither did I intend to take part in the debate after raising the matter of the financing of the Hamilton-Wentworth region with the Treasurer earlier in the day. But there are some things that bother me about what was said today that relate directly to what this bill does in the Hamilton-Wentworth area—and perhaps in some ways to what the bill doesn't do.

The problem in the Hamilton-Wentworth area is, in my opinion, very complex. And I don't think that we can solve the financial difficulties that people are now facing with simply an adjustment in the unconditional grant to the regional municipality.

To begin with, I am not absolutely convinced that it's at the regional municipal level that all of the overexpenditure has taken place. The difficulty in the area is simply that the public is convinced that it's at the regional level that the overexpenditures are taking place and it's almost impossible to, for their purposes separate out those dollars spent at the local level from those dollars spent at the regional level.

It's also very difficult to talk to someone when you are talking about the municipal taxes unless you also include, at least in passing, a discussion of the problem that the ever-increasing education costs bring about. So that I think what we are really faced with is that while everyone agrees that we ought to make available more money through the unconditional grant, and therefore everyone in the House is likely to support this marginal change, the problem isn't even being addressed by this.

The expenditures at the local level in the Hamilton area—and those expenditures will not be altered one whit by this bill—have risen dramatically over the last three or four years, and the result of the shift of responsibility from the local to the regional level which ought to have brought about a decrease in the local municipalities' cash requirements hasn't reflected in any easing of the tax burden at the local level.

What we have happening is that as the local municipal government, the city of Hamilton, in most instances shifts responsibility from itself to the region there is a vacated tax space which is subsequently filled by the local municipality for other municipal purposes.

I'm not in a position, and no one outside is in a position—no one outside of Hamilton to begin with, I think, would be in a position to make judgements about the appropriateness of the expenditures. I'm certainly not in a position to make a judgement about the appropriateness of the expenditures. But all I can see is that if regional government were to work as it was intended to work then we should have been able to identify quite clearly that, as certain responsibilities were transferred from the lower to the upper tier, there should have been proportionately less cash required by the local tier to carry on all of the responsibilities that remained there. I think that's common sense. Yet, at least in the Hamilton area and particularly

as relating to the city of Hamilton, that just hasn't been the case.

I support, incidentally, unconditional grants as infinitely superior over and against conditional grants. But if the province of Ontario continues year after year simply to make available to regional governments funds through the unconditional grant route without taking the time to accurately assess the funding arrangements, the responsibilities and the jurisdictions that have been granted to the two tiers, then we are going to find within a very short period of time, if we haven't already arrived there, that the expenditure increases will outstrip the ability of the taxpayers in that municipality to pay. Frankly, this will be the case in most other municipalities where the same situation prevails.

There are examples I want to give you. I suppose, to begin with, statistics can be used in any way. I understand it, everyone else understands it and I'm quite prepared to concede that someone may look at these statistics and come up with some different rationale. But, what I looked at was the average property tax per household for the city of Hamilton from 1970 to 1976 over and against expenditures in other reasonably large municipalities in the general area. From 1970 to 1976 the average property tax in the city of Hamilton rose from $381 to $578, an increase of 51.7 per cent. In East York the increase was 30.3 per cent; in Etobicoke the increase was 27.7 per cent; in North York the increase was 17.1 per cent; in Scarborough 28 per cent; in York 28.2 per cent; in Oshawa 19.6 per cent; and in Burlington, which is the closest municipality to Hamilton, 28.6 per cent.

The first thing I ask myself is, why would it be that the city of Hamilton's expenditures during the period of time would rise so disproportionately to the expenditure increases in other municipalities? I'm not making a comparison of actual property taxes paid, because that comparison would be unfair. I can only assume, and I do assume for the purposes of this discussion, that on the basis of the services provided in 1970 in all of those municipalities over and against 1976, the same basic changes would have occurred because they are all in the golden horseshoe area, and all address themselves to a substantially residential community.

Is there any logical, reasonable explanation for such a dramatic increase in the tax in the city of Hamilton over and against the other municipalities over that period of time? Have the citizens of the city of Hamilton obtained additional benefits? Are there, in fact, new services available? Have they assumed additional responsibilities? Do they provide services there that are not provided elsewhere?

I looked at that and I must say honestly that I could find no evidence that there were any better, larger or more worthwhile services available there than in any other place. So I thought it would make some sense if, rather than going this route of continuing to put money out year after year, we took a serious look and made some comparisons between the city of Hamilton, part of which I represent, and other comparable municipalities in the area that have to purchase the same basic goods and services and that have to provide the same basic service level.

That's what I'm asking the Treasurer to do. I don't think there is any point in just continuously approving with a nod increased expenditures through unconditional grants unless we're prepared to take a very serious look at where this money goes, how this money is spent, what the responsibilities are and how those responsibilities are being fulfilled. I suggest to the Treasurer that, as part of his responsibility, he has to undertake such a serious study. He ought not to come back to this House year after year asking for marginal differences and marginal changes to the per capita unconditional grant without having undertaken that kind of intensive study.

I go further than that and suggest that in the city of Hamilton, for example, the expenditures, rather than having levelled off or having reflected an increase which might be deemed to be commensurate with the normal inflationary rate, have risen dramatically from 1974 when they were at approximately $58 million, to 1977 where they are now at about $71 million. One has got to think that during that period, with the introduction of regional government and with the additional grants made available as a result of regionalization, we should have been able to see some levelling off. But that didn't seem to occur. The question then must be asked: Why is that not happening?

Why is it that we're continuing to see this ever-increasing expenditure rate in areas where we might normally have expected, as a result of the promises made by this Treasurer and his predecessors, that regionalization ultimately would bring about either higher service levels or a rationalization or amalgamation of services, and thereby bring about what one would hope would be lower costs by comparison—recognizing that we're not talking about absolute dollars but about inflationary dollars.

It seems to me that, before we engage in simply a blanket approval of an expenditure change of the type that the Treasurer is asking for, there should be some substantiating evidence presented to the House that the dollars that we're voting are being spent in an appropriate way within the system that this government has set up. What the government has done is that it has changed the system dramatically.

What happened in years gone by—and we made a comparison; it's not the very best comparison in the world, but it serves the purpose for this discussion and again, it's subject to debate. But we made a comparison in the Hamilton-Wentworth area over and against the Ottawa-Carleton area, and the comparisons were made on the basis of expenditures from the years 1966 through 1974, which were the only figures available to me. What we discovered was that prior to regionalization, Hamilton-Wentworth, taken as a whole—

Interjection.

Mr. Deans: I won't be very long. Are you going to speak?

Mr. Rotenberg: Not at the moment.

Mr. Deans: Okay.

Mr. Cassidy: Don't hold back.

Mr. Deans: Their expenditures ran at something like 10 per cent less than the Ottawa-Carleton region and yet, with regionalization, Ottawa-Carleton's expenditures immediately rose to a point where they went to in excess of 20 per cent more than the Hamilton-Wentworth region. This was prior to Hamilton-Wentworth's regionalization. Once regional government was implemented in Hamilton-Wentworth, Hamilton-Wentworth's expenditures then rose again to a point where they're now within two or three percentage points of expenditures in Ottawa-Carleton.

We've got to ask ourselves some questions about those things. Why are they occurring? Why is this change so evident immediately after regionalization? Why is it, when we compare regional areas with non-regional areas, that we find the non-regional areas are able to provide the same level of services that they have always provided, which are in the main comparable with the services provided in the regional government areas, and do it at a much less expensive level.

What I'm really saying to the Treasurer is that I'm not at all sure that we can continue to do things this way year after year. I don't think it's practical for us simply to pour out money, hoping to be able to hide the additional burden of taxation, because eventually even the province of Ontario will have difficulty raising the capital if we allow expenditures to continue to rise at the rate that they've been rising over the last four or five years.

[5:45]

I think we have to have an accurate, honest and open evaluation of what regionalization has done. I think we have to look seriously at the services provided, the structures implemented and the finances available. We have to take into account that the transitional grants, which were in some instances unconditional and in other instances not, will even by themselves impose an additional tax burden on the average municipal taxpayer as they gradually run out. While in the first year of the five-year period they absorb a substantial amount of the transitional cost, the transitional costs—for reasons that I don't understand and I suspect for reasons that no one else has identified yet—never seem to disappear. They get built into the system. You end up in year one with a substantial amount of money made available, while in year five no money is made available but the costs remain constant. You end up then with that burden being transferred to the local taxpayer.

The Treasurer may argue, and quite validly, that the government attempts to offset some of these by one form or another of tax rebate. But that again is money out of the provincial coffers and doesn't speak to the problem of the increasing costs at the municipal level.

I suppose what I'm saying in essence is that we'll support the bill. We support the bill because it makes good sense at this point in time to do everything in our power to cushion the impact of the ever-increasing burden of property tax. But I don't think we should for one minute think that this is the answer to the overall problem of funding municipalities. I don't think we should put our heads in the sand and attempt to leave the impression that regional government in its current structure and form with all of the service levels that are currently made available is providing what anyone expected that it would.

I don't think if we were to go back to John White, one of the previous Treasurers, or to Charles MacNaughton or to the current Treasurer and look at what they believed would happen as a result of regionalization, that we would find that what we actually saw occurring over the period of the transition is in keeping with what their expectations were. If that's the case and if we're burdening people unnecessarily or if we're over-

burdening them, then, for heaven's sake, let's be at least honest enough to say that that's what's happening and to move in and to make the adjustments that have to be made. We just can't continue with this kind of funding indefinitely.

I have a sense—the Treasurer may disagree—that the province of Ontario is systematically moving much of the burden of costs from itself to municipal taxpayers. It may be in some instances, as in the case of the elderly and in some other cases, the property tax rebates do tend to compensate in some way or another for the increase. But it's evident, at least through the school board system, that the amounts of money made available in the Hamilton area are substantially below those moneys made available in the years prior to 1966. The reduction is now down from what was previously 49 per cent of total to a figure of about 40 per cent of total, while in fact we had spoken in this Legislature not many years ago about the necessity to move it in the other direction. We had always talked about aiming for 60 per cent or 65 per cent funded provincially.

By virtue of the change that has taken place, we have transferred a significant burden from here, Queen's Park, from the general revenues of the province which are by far much more progressive than the property tax regardless how you monkey with it, to the municipal taxpayer. The Minister of Energy and I would both understand, having discussed this many times, he on one side in favour of increased taxes and I on the other, hoping to get them reduced, that—

Hon. J. A. Taylor: But the averages were pretty good. The averages worked out.

Mr. Deans: —in fact there is no relationship between a person's income capacity and his property tax. The day you retire your property tax doesn't change though your income changes dramatically.

What we're talking about is that we can't go on this way much longer. If we don't step into the forefront and be more progressive in the province of Ontario and find the additional methods of funding municipalities, then municipalities will not be able to carry on with the responsibilities that they have had foisted upon them and have sometimes taken quite willingly. We're going to find that in the long run the property tax payer is not going to be able to meet the burden and that we are, therefore, producing a society where home ownership will become such a burden that we will be eliminating it for a great number of people.

Mr. Acting Speaker: Is there any further discussion on second reading of Bill 6?

Mr. Cassidy: Call the member for Wilson Heights (Mr. Rotenberg), Mr. Speaker.

Mr. Acting Speaker: The hon. minister.

Hon. Mr. McKeough: The principle of this bill was to put into effect the decisions of the government announced last September 10 well in advance of the 1977 calendar and fiscal year of the municipalities to indicate to them the amount of money which would be available to them during their fiscal year 1977 from a variety of sources. Unlike the education costs or The Highway Traffic Act grants, the one item which is not dealt with by regulation which is brought to the Legislature each year is The Municipal Unconditional Grants Act.

The amount is not modest as it has been described here this afternoon—and I will return to that theme. In this bill it is an increase during this calendar year from $370 million to $436 million—nearly $66 million, which is not a small amount of money. What we are rather pleased about of course is that the transfers this year, which are rising about $380 million from just over $3 billion to $3.4 billion, are rising by 12.5 per cent. The unconditional grant portion of those transfers is rising by nearly 18 per cent, so that the conditional portion is rising by about 12 per cent. We have been, increasingly, trying to put more of our transfers into an unconditional form and specifically into the various components of The Unconditional Grants Act—namely, the general support grant, the resource equalization grant and the northern Ontario grant and then the specific per capita grants. But I do suggest to the members that we can't have it both ways and talk about more and at the same time dismiss, as one speaker did this afternoon, some $66 million more as a modest increase. I will be coming back to that.

I am tempted to reply to much of what was said this afternoon, but I will try and and confine my remarks to the principle of the bill, Mr. Speaker, with respect. I fail to find out how mines are assessed in Sudbury and a couple of other items had anything to do with the principle of this particular bill, but so be it.

The member for Ottawa East wonders why Ottawa-Carleton doesn't receive the police grant and suggests we are holding some sort of a club over their head. That's not true. This is true in a number of other areas.

There are higher grants for those municipalities who have assumed greater responsibilities from us. Regional York, regional Hamilton-Wentworth, regional Waterloo have all assumed 100 per cent of the policing function, which was formulated there with local municipalities but which was also being carried out by the Ontario Provincial Police. They have relieved us, obviously, of some burden of expense. They have relieved us therefore of some burden of administration and they are being compensated—in a very crude way, I will admit that, but we didn't want to develop a sophisticated formula.

But those municipalities which have taken over policing from us are receiving a higher level of grant. Ottawa-Carleton is not one of those and the day that Ottawa-Carleton wants to assume the burden of policing in Osgoode, for example, and Goulbourn and several other places and if it is not to their financial advantage, then they shouldn't do it. Then they should not do it.

Mr. Roy: I don't think that's fair. You don't do much policing there.

Hon. Mr. McKeough: I will tell the hon. member the greatest inequity in this province is between those who pay for policing and those who do not pay for policing and receive it from the Ontario Provincial Police. I think most municipal people would tell you that that is probably the largest single inequity—those paying property taxes who also pay through their income taxes or sales taxes, paying really for policing twice, and those who only pay for it once. In the last four or five years we've gone some way to redress this inequity by giving the unconditional grant on a higher rate to those municipalities who are doing the policing job and then at a higher rate again to those municipalities that have assumed certain functions from us, and not just in the area of policing. The regional municipalities happen to be the growth municipalities and there are some interesting statistics in the book which a number of people quoted from—Regional Government, a Perspective: a Financial Review, 1970-1975—which was compiled out of a tour which I made in that year, and we presented the statistics to all the regions and then brought them together in one place. They can be used in many ways, and I suppose they can prove many things, but the conclusion that I came to when the figures were all brought together was that the municipalities that needed the help were by and large the regions that were the growth areas. Interestingly, on table A3, total household starts in that period, 467,000, over half, were in the regions. Another quarter were in Metro, and only 108,000 were in the rest of the province. There is no question that the growth has been in the regions. That's the reason that their expenses have climbed. Metro is levelling off; Metro was in between.

The conclusion I came to, quite frankly, and I think I said this in the House when this document was tabled a year ago, was that we would quite frankly be biasing our assistance—not in a heavy-handed way and not in a "big brother" way and not looking over their shoulder and not asking them to account for every last nickel—but we would be biasing our assistance, particularly the unconditional assistance, to the growth areas which are largely the regions of the province, and to some extent still to Metropolitan Toronto.

That's where the taxes have, for the most part, and it's too easy to generalize, risen the most because of a greater demand for services. The smaller municipalities enjoy much lower tax rates, generally, across the province—those areas which aren't moving and where in many cases mill rates have stood still for a number of years. As my friend from Parry Sound pointed out, perhaps they don't want, don't need, don't desire all the services which the member from Ottawa-Carleton would have us all have tomorrow.

I was interested in the eloquence of the member for York South and others, and I simply remind people of the property tax credit—it is an effective way of reducing the regressivity of the property tax. It does do a job. My friend from Ottawa Centre would have had us believe that somebody earning $5,000 or $6,000 and paying $1,000 in property taxes was paying 20 per cent of his income, which is not correct. After the property tax credit he would be paying about 10 per cent. Too high, no question about it—

Mr. Cassidy: You admit it, that's good. It is about time you admitted it.

Hon. Mr. McKeough: But don't use misleading figures—and that's exactly what the member was doing. He said 20 per cent and it should be 10 per cent, and he knows it. He just ignored the property tax credit completely—just ignored it.

Mr. Cassidy: You are the expert on misleading figures, you know. They go right through the budget. Every page.

Hon. Mr. McKeough: The member twists figures; he twisted figures all afternoon. That was just one of them.

Ms. Bryden: The whole budget is misleading.

Mr. Speaker: Order, please. May I interrupt the hon. minister. It is now approaching 6 o'clock. Are you going to--

Hon. Mr. McKeough: I have about one minute to go, Mr. Speaker.

Mr. Cassidy: He is the maestro of misrepresentation.

Hon. Mr. McKeough: I would simply point out, finally, that we will cover many of these matters during my estimates. I simply point out this: The plea over there is "more." I would point out to those members that the municipalities and the school boards this year are receiving 12½ per cent growth across the board.

Mr. Deans: That's not true.

Hon. Mr. McKeough: By 12½ per cent.

Ms. Bryden: What percentage of their expenditures?

Hon. Mr. McKeough: For the province as a whole, expenditures are increasing by nine per cent. It means that provincial departments are somewhere around seven. The member wanted more money for Hamilton-Wentworth--

Ms. Bryden: What is the provincial share?

Mr. Deans: That wasn't what was said at all.

Hon. Mr. McKeough: That was exactly the point--more money to reduce property taxes.

Mr. Deans: On a point of order. That is a misrepresentation of what was said.

Hon. Mr. McKeough: Then I leave the member for Wentworth out. He was the only person who suggested we were paying too much.

Mr. Deans: I didn't say that either.

An hon. member: You're going to embarrass him yet.

Mr. Deans: That again is misrepresentation. It's funny how you can always fall on both sides.

Hon. Mr. McKeough: I apologize.

I think it is fair to say that most who spoke, and certainly the member who is the financial critic of his party, indicated that much more should be going into transfers to local government. Many, many more dollars. I simply point out that of our nine per cent growth in expenditures this year, the municipalities and school boards who receive 30 of that under the Edmonton commitment are getting 12½ per cent of that growth. All the other functions of government will be making do with about seven or eight per cent.

I point out there's a table which would indicate that our revenues have grown over the last five or six years at the rate of about 13 per cent a year. Our transfers to local governments have been growing at a compounded rate of 15 per cent per year. I serve notice to the House that without substantially raising our own revenue we are not going to be able to continue to transfer ever-increasing amounts or ever-increasing proportions to local governments. It just isn't fair.

Motion agreed to.

Ordered for committee of the whole House.

The House recessed at 6 p.m.

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First Session, 31st Parliament
Wednesday, June 29, 1977
Evening Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

ONTARIO LOAN ACT

Hon. Mr. McKeough moved second reading of Bill 8, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Mr. Deputy Speaker: Is there any opening statement by the minister?

Hon. Mr. McKeough: I suppose I might, Mr. Speaker, because when the former member for Sudbury—

Mr. Cassidy: On a point of order Mr. Speaker. Is there a quorum please?

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Deputy Speaker: I am advised there is a quorum and we will continue with the second reading of Bill 8.

Hon. Mr. McKeough: Mr. Speaker, when the former member for Sudbury used to be here, he used to ask what this was all about. Although there is no need for an opening statement, I might indicate to the House that this borrowing authority, which is less than it has been for the last two years, gives us authority to borrow from the Canada Pension Plan, and from Central Mortgage and the maturities of Ontario debentures securities. There are other things we borrow from, which are not required under this Act.

I will not attempt to defend why some borrowings are covered by this Act and some are covered by The Financial Administration Act, and I suppose really they should be all in one place or another. The Deputy Speaker, coming from Perth, would appreciate that fact, that one consolidates one's borrowings.

Nevertheless, these are the borrowings which we would expect to make from April 1 last under this Act: from the Canada Pension Plan, about $850 million; from Central Mortgage waste control loans, $43 million; and from scheduled maturities about $73 million. That totals $966 million; and only the people in my ministry, sir, could round that to an even $1 billion, which was the subject of the bid in.

Mr. Reid: What's a billion?

Hon. Mr. McKeough: That's right.

Mr. S. Smith: We of course will have no objection to the bill. I do want to take the opportunity however, to make a brief remark or two about the borrowing habits of the Treasurer, if I might Mr. Speaker.

We have had the feeling for some time that the so-called in-house borrowings—which this bill is designed to permit, something that the Treasurer is proud of in the sense that whenever he can borrow to cover his deficit in-house he feels it is somehow a great achievement he has been able to keep Ontario off the money market—we have had the feeling for some time that this is a rather pyrrhic victory, a rather hollow achievement. In fact what it really means to the people who contribute to the Canada Pension Plan—and of course this particular bill does not apply to OMERS and other superannuation funds—is that the Treasurer is able to borrow from these funds at something less than what these funds could attract in the commercial market, and he feels that this is somehow a great achievement.

What I would like to say is that we believe that that money made available for commercial enterprises would be a real stimulus to our economy and would actually in many ways earn more money for Ontarians and create more employment. We have a great belief in the private sector. We believe that this money ought to be made available for private borrowing to stimulate Canadian industry and Ontario industry. The more the Treasurer borrows, whether it be in-house or out of house, the more that money is not available for other purposes.

Furthermore, the more it means that people who depend on these funds—and ultimately, actuarially of course, all our pensions will depend on some of these funds in one way or another—the more that the Treasurer borrows at less than competitive commercial rates, the more all of us are being short-changed by the heavy demands that the Treasurer has made.

I don't have to tell you that the average per capita debt in this province has gone up astronomically in the years of the administration under the present Premier (Mr. Davis). I don't have to tell you that we are now paying interest at the rate of some $2.85 million a day on the provincial debt. I simply

want to say that although we of course will give the government authority to raise money on the credit of the consolidated revenue fund, we personally believe that our province would be better served if the deficits were lower, if the borrowings were not so high, and if the Treasurer were not allowed to hide behind the so-called in-house borrowing as he's so fond of doing, taking credit for the fact that he doesn't have to go to the free and open money market.

[8:15]

We believe if he did have to go to that market, he might watch his deficits a little more carefully. It always seems to us rather a remarkable coincidence that the deficits end up exactly at the sum total of what he's able to borrow and what's open to him to borrow in-house. We believe if he had to go and take his chances with everyone else on the open market and if he allowed the in-house money to be used for commercial purposes, Ontario would be better off and he would suddenly discover there is a lot more fat in the budget than he imagines at present.

So by all means the Treasurer can have his authorization to raise money but we believe he ought to change his practice of this in-house borrowing. He ought to change his practice whereby pension funds are kept captive by the government of Ontario and are rendered actuarially vulnerable. We believe that money should be made available for the private sector, should be able to attract competitive interest rates and that the government should have to go out and fight with everybody else for every dollar it borrows. In so doing, they'd learn the discipline of having to watch the dollars that they spend and the size of deficit; and that would be a great benefit, a boon to all of us.

However, we will certainly support the bill itself.

Mr. Cassidy: The bill is obviously a housekeeping bill. It does provide an opportunity to comment on the Treasurer's goal of balancing the budget by 1981, and I want to do so. I don't want to do so at great length, but I think there are some points that need to be raised, serious points which I put before the Treasurer in that particular spirit.

Hon. Mr. McKeough: Mr. Speaker, on a point of order, I don't find any connection between this bill and balancing the budget by 1981, I really don't. I think that might be part of the budget debate or it might be part of my estimates, but I find no reference in the principle of this bill to balancing the budget by 1981.

Mr. Deputy Speaker: I recognize the point of order. I would remind the member for Ottawa Centre to keep his remarks in accordance with the principle of this bill.

Mr. Foulds: On the point of order, Mr. Speaker; you let the previous speaker wander far from the principle that you've just enunciated. Secondly, surely borrowing today has to do with future deficits and whether or not the budget will be balanced five years hence.

Mr. Cassidy: With respect, Mr. Speaker, I'm not sure why the Treasurer chose to intervene. If he knew me better or listened a bit more carefully, he would understand that by tone and by words specifically I said I wanted to comment briefly on the question of the borrowing of the province. Since the Treasurer says that he intends in the very near future not to do any more borrowing but in fact to achieve a situation where he won't have any, I think there's some concern to be raised about that and this is a legitimate and appropriate place to do so.

Hon. Mr. McKeough: With respect, on the point of order, I don't think so, Mr. Speaker. This bill authorizes the raising of $1 billion on the credit for this year, which we are now in; and there is no reference to 1981 whatsoever, so far as I know, in that bill.

Mr. Foulds: The year 1981 follows 1977.

Mr. Cassidy: Mr. Speaker, if the Treasurer wants to play it that way, we can spend all night here talking about whether or not Ontario should borrow $1 billion on the consolidated revenue fund, and I'm sure there are things it is quite properly in order to talk about. Frankly, I don't want to do that. I don't want to do that at all.

I think the Treasurer's being quite aggravating. I'm not sure what he had between 6 o'clock and now, but all the same it seems to me it's legitimate to raise a few points, and I intend to do so with your permission Mr. Speaker.

Hon. Mr. McKeough: Mr. Speaker, speaking to the point, all I had since 6 o'clock, which is none of the member's business, was some of the milk of human kindness. I don't propose that we should waste our time tonight debating the non-principle of a bill as we did all this afternoon. If that's what the member wants to do, let him say so, let the Speaker rule and let's get on with it; but if we're going to talk about the principle of the bill, then let's do so and let's not pussyfoot around.

Mr. Foulds: Further on the point of order, while the pussy over there is footing, I'd like to just remind him that borrowing is the principle inherent in this bill.

Mr. Deputy Speaker: Order, please. The member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker. I want to say that the bill proposes to borrow $1 billion. I gather from what the Treasurer said that the borrowing is not equal to the total amount of cash requirements anticipated for this year because a certain amount of those cash requirements will be met by borrowing which is not required to be authorized by this form of legislation. Is that right?

Hon. Mr. McKeough: Yes.

Mr. Cassidy: That is correct. I want to introduce a couple of figures from the budget, which were relative to this particular bill. With your permission, Mr. Speaker, there are just three or four things that I want to raise.

First, the Treasurer said, and I quote: "Our objective is to have the capacity to balance the Ontario budget by 1980-81." He said that in the budget. In the statement of Monday he said: "I continue to look forward to a balanced budget by 1981."

I would gather that between the budget, the charter and now, the government's intention has hardened as far as that particular commitment is concerned. If we can look at this year's figures as outlined in the budget paper which I have to say states, "towards a balanced budget"—and I can't help but use the words "if the figures that are relevant are in there"—the statement of cash requirements is interesting when you compare it with the statements of investments and physical assets which is found in table C8 in the back of the budget. Those investments in physical assets, and I'll read them into the record, are as follows:

Under budgetary investment: Direct expenditures and transfer payments: Roads and transit, $579 million; public buildings, $241 million; health, $94 million; other, $47 million; for a total budgetary investment in physical assets of $961 million.

On the non-budgetary side, the investment is as follows: Industrial resources development, $232 million; home and community environment, $215 million; education, $117 million; and health, $33 million. Total investment, $1,563 million, up about $150 million from the interim estimate for 1976-77.

If you take that $1.5 billion of investment in physical assets and put it against the total financing requirements of the province for the current fiscal year, 1977-78, or $1,077 million, you get a surplus of about $500 million. That surplus, as far as I can gather Mr. Speaker, is the surplus that the Ontario government will be running this year on its budgetary current account. On capital account it's intended to put out about $1.5 billion in investment of physical assets. On current account, its expenditures will fall short of its revenues by $500 million.

I put these figures into the record because I think they are important with regard to the possibility of future debates or discussions about whether or not to balance the budget, or what balancing the budget actually means.

In 1976-77, using the same sources for the figures, the total financing requirement to the province was $1,388 million and the total of investment in physical assets was $1,438 million. There was, therefore, a surplus on the budgetary current account of $50 million. The previous year, in 1975-76, when we had a $1.8 billion financing requirement. The bulk of that was also taken up with investment in physical assets—$1.6 billion that year—and there was a small deficit on budgetary current operations of $138 million. In the previous year, 1974-75, the investment of physical assets was $1.2 million, financing requirements were $1.2 billion the total financing requirements just under $1 billion. The surplus on budgetary current account was $200 million.

Perhaps after an election is when one can read this kind of figure into the record, because it makes the situation of the last four years look rather less perilous than it may have appeared if one simply looked at the amounts of money that the province of Ontario had been borrowing over that period of time.

If you just look at current income and expenditure, we had a $200 million surplus in 1974-75, $130 million deficit in 1975-76 and a $50 million surplus in 1976-77. The Treasurer's figures, if they're to be trusted—and I have raised questions about some of the estimates—would see us having a $500 million surplus on current account this year.

The question of a budgetary deficit—

Mr. S. Smith: Ever heard of depreciation on capital?

Mr. Cassidy: The question of a budgetary surplus or deficit, the question of whether we are balancing the budget and the question of what we are borrowing for in this bill or some other bills before or after it, is therefore largely a matter of definition. Now is the time to raise this kind of question in the brief lull between the last election and the possibility of a future one. In other jurisdictions, in Britain for example, there are two budgets. There is an above-the-line budget which is the current budget and there is a below-the-line budget which is a capital

budget, representing investments in capital assets of one sort or another.

Mr. S. Smith: What do they do about depreciation of capital assets?

An hon. member: Are you an economist now, Stuart?

Mr. Cassidy: The Leader of the Opposition can comment on this later, or one of his critics can comment on the point. I think the point has got to be raised and I am glad he is listening with interest.

If you bring this back in personal terms—and that has limited validity for government—but if you bring this back in personal terms, a family person with an income of $12,000 a year who receives $240 a week and spends about $240 a week on rent, food, clothing, recreation, gas for the car and that kind of thing, is keeping his current operations in balance.

Mr. S. Smith: Not if his car is depreciating.

Mr. Cassidy: If he borrows money to buy a car, he should be prepared to take enough money out of his current operating budget in order to pay for that car. That is what's represented in this budget by the payments that are set aside for interest.

The Leader the Opposition asks, what about depreciation? In personal terms, it's prudent if somebody has a bit set aside in addition to the interest. In fact, finance payments usually provide for a certain amount of repayment in line with depreciation.

The point is that for the year in which a person on a $12,000 income spends 5,000 bucks to buy a car, we don't say their situation has gone from $12,000 in and $12,000 out to $12,000 in and $17,000 out, we don't say that for that year they ran up a $5,000 deficit; we say that for that year they invested in an item that will be used over a number of years, and incurred a debt which will be paid off at a rate of so many dollars a year.

Taking this year's figures again, the presentation of the budget, in which every penny of capital asset acquisition is put down as a current expenditure and therefore contributes to an overall deficit, is misleading. At least it's misleading if that then is a springboard for the Treasurer to say that in future we are going to balance our budget and we are going to pay as we go for absolutely every nickel of capital investment.

If you look at the table of the investments that Ontario makes, it includes such things as investments in universities, in nuclear power—an investment which will last for an awfully long time—tile drainage, junior farmer assistance, the housing corporations, and in other assets including loans which are for the long term. But the Treasurer's point of view appears to be that the borrowing now is unhealthy under any circumstances and that we should pay for all of those long-term loans, investments and assets out of current revenue. Now if one can jump ahead two or three years and take him at face value, then we will be running a surplus on operating or current budgetary account of about $1.6 billion.

I have a question. I am not sure whether this year a half a billion dollar surplus on current operating account is the right setting for Ontario's economy. It seems to me that it is equally important to balance Ontario's economy and not just to have a fixation about balancing a set of numbers when there is a definitional problem which could allow you to come up with any number of different balances for that particular set of numbers.

The Treasurer of New South Wales was in town the other day and I had the opportunity of meeting with him and he said: "We always balance our budget." It's a labour government and it has been for many years. I said: "Gosh, you mean you outdo Darcy McKeough,"—I am sorry Mr. Speaker—"You outdo the Treasurer of Ontario." And he said: "Yes." He then revealed that they had an above-the-line budget which they always balance and a below-the-line capital budget which of course is financed partly out of current revenues and partly out of borrowing. [8:30]

If it is perfectly legitimate for an individual to borrow to buy a house or a car and if it's even considered legitimate for individuals to borrow for certain large items of expenditure that might almost be considered current, such as round-the-world vacations, then it seems to me that to have a fixation about getting to a budgetary balance is inappropriate and could lead us to grief in the future.

In the budget statement, the Treasurer did say he wasn't sure about balancing the budget, that there could be certain reasons for which Ontario would have to take other steps. I am concerned with the fact that after this year he says—

Hon. Mr. McKeough: I didn't want to be dogmatic.

Mr. Cassidy: Well, I'm glad you didn't, but you became much more dogmatic in the reappraisal of your statement, as the government also was in the Charter for Ontario, and that is why I am expressing these concerns.

Hon. Mr. McKeough: But I didn't want to be like you are.

Mr. Cassidy: The increase in budgetary spending, which is foreseen for the next few years as only six per cent a year, I suggest that this may be a straitjacket which we will all live to regret, because there are certain valid and valuable things which ought to be performed by government—

Hon. Mr. McKeough: Not according to your House leader, he says we are giving too much to the municipalities.

Mr. Cassidy: He did not say that, on a point of order. There are certain valid and valuable things which will be required from the province of Ontario. We will have to reach a judgement decision as to how much of our capital expenditures, loans and investments should be financed out of current revenues and how much it would be legitimate to continue to finance from borrowing.

Just a final point, in response to the Leader of the Opposition: I wish the opposition party, the Liberal Party and its leaders, would stop prating about fat and that kind of thing in the Ontario budget and would start to come up with specifics. If I can say a word of commendation to the Treasurer—I know he doesn't get them often from me—Ontario has a record which is decidedly better than, say, the federal government in the city I represent, the city of Ottawa. There has been control over the civil service complement here in Ontario.

Mr. S. Smith: It is better than BC was.

Mr. Cassidy: There has been a rather tighter control over expenditures. At times it's been imprudent and wrong, and at other times it has provided a discipline which doesn't exist to people who think that government dollars come for free and forget the fact that each one of these government dollars comes out of somebody's pocket or could have remained in somebody's pocket. However, that being said, it seems to me that it is rigid, dogmatic and ideological for the Treasurer to say that we have to constrain spending growth to the six per cent mark over the next three years at the very least in order to achieve this particular goal.

That said, we will support this billion-dollar bill. It seems to me that for that sum of money the time of 23 or 24 minutes of this Legislature is well worth it. I am sure we will return in the future to the question, not of the balanced budget the way the Treasurer puts it, but of the appropriate way in which we set the budget of Ontario and how much of our capital expenditures we should finance our of current revenue and how much out of borrowing.

Mr. Reid: I just have a question or two I would like to ask the Treasurer. The name of the report slips my mind, but I recall reading it in the House last year. It indicated that if we kept borrowing from the Canada Pension Plan, within about—I think it said six to eight years if I recall the figures correctly—the revenues accruing to the province of Ontario would be all used up. In fact it indicated that the Canada Pension Plan would be bankrupt as far as the province of Ontario went and there would be no funds available after that period of time for the province to borrow on.

I presume the Treasurer is going to stand in his place and say we're going to balance the budget and we don't have to borrow from the CPP within that period of time, but could he perhaps clarify that situation? If we continue our current rate of borrowing, will we have exhausted the Canada Pension Plan within a six to eight-year period?

Ms. Bryden: I just have one or two questions to ask the provincial Treasurer with regard to this authorization to borrow. I'd like to know if he has put his whiz kids or calculus operators to work at figuring out the cost of the Charter for Ontario which was unveiled during the election. He was very prompt at putting the opposition estimates to the test and working out what they were going to cost.

Mr. S. Smith: That has nothing to do with the bill.

Mr. Deputy Speaker: Order, please. I don't believe this has anything to do with the bill before the House at this time.

Ms. Bryden: Mr. Speaker, with respect, the amount he has to borrow is based on the amount he expects to spend. I want to know if the billion is going to be enough to cover all the costs of the Charter for Ontario. For example, the two trees for every one tree will require a great increase in expenditures on forest regeneration—

Hon. Mr. McKeough: You're opposed to that?

Ms. Bryden: —and reducing the municipal tax burden, and so on; senior citizens will cost money. So my first question is, is the billion dollars adequate?

Mr. Reid: Obviously not to pay for the—

Ms. Bryden: The second question I have, if he is planning any borrowing in the United States market, has he taken into account the rather dramatic change in the value of the dollar in his estimates of his needs? Also,

will he be repaying some of our foreign US loans? The amount will be affected, unless they're repayable in Canadian dollars, by the change in the value of the dollar.

The only other comment I'd like to make is that we wouldn't need such large borrowing power if the Treasurer didn't continue to give away such large amounts of revenue to the corporations in fast writeoffs and in exemptions from sales tax on machinery and in all sorts of other concessions, so that our corporations are now contributing just slightly over 10 per cent of total provincial revenues.

Hon. Mr. McKeough: Mr. Speaker, in reply to the hon. member for Beaches-Woodbine, the answer to her three questions would be yes, yes, and no. And as a comment, I think on only the remarks of the hon. Leader of the Opposition, I would just point out one of the serious inaccuracies, among others, which he made during the course of recent events in which he persisted in talking about interest costs. Tonight he brought it down to $2.85 million a day. I imagine that's what the increased research staff has done to his office. During the campaign it was always $3 million, and tonight he's been getting—

Mr. S. Smith: It's a rounded figure, it's like your billion.

Mr. Reid: It's like your billion.

Hon. Mr. McKeough: It's so precise, that's the research. If you want to be precise, really, then you should cut that figure in half once again. Because if the member would look, as I pointed out several times during the course of the campaign, and just to set the record straight here in the House, if you look at the Ontario budget on pages 18 and 19 you would also find out that we earn some $468 million in interest on our investments. That, of course, should be deducted from our public debt interest.

Mr. S. Smith: Why should it?

Hon. Mr. McKeough: Certainly it should.

Mr. S. Smith: Why?

Hon. Mr. McKeough: Because we borrow money from the Canada Pension Plan and we loan it out to universities and hospitals and school boards. We pay interest in one place and we get it back from someplace else. The true amount, if you want to be truthful, is not a billion dollars a year, it's about half a billion dollars a year. I simply put that to you. You're just out $500 million.

Mr. S. Smith: Where do the school boards get this interest to pay you?

Hon. Mr. McKeough: We lend it out on mortgages; we lend it out on senior citizens' apartments; we lend it out through the Ontario Mortgage Corporation. We'd even lend it out on those energy conservation loans you want to make on insulation, that would be an interest on investment.

Mr. S. Smith: But not by the universities, the school boards, and the other public institutions.

Hon. Mr. McKeough: Look, I am not quarrelling. The amount of interest we pay is staggering. But if you're going to use a figure, use $500 million a year and not a billion and you'd be more correct, you'd satisfy me. But what we have here tonight, Mr. Speaker, and you will enjoy this—

Mr. S. Smith: Yes, the one which comes from the taxpayer—

Hon. Mr. McKeough: —coming as you do from rural Ontario, is one of the great classic confrontations of all time. We have the far right party saying we're borrowing too much and we have the far left party saying we're not borrowing enough. This would prove to you, Mr. Speaker, the efficacy of what we're doing tonight, the efficacy of my budget, and the truth of the reason why this party was re-elected on June 9, and I'm happy to endorse this bill.

Mr. Makarchuk: Without a majority.

Mr. S. Smith: On a point of privilege, I would like to know whether this is in any way reminiscent of the comments that were made by the former federal leader of the Treasurer's party, of whom it is alleged that on one occasion he said: "There are those who say on the one hand that two and two make four, those who say on the other hand two and two make six; we go to neither extreme, we simply say that two and two make five."

Hon. Mr. McKeough: Speaking to the point of order, I recall the remarks not too long ago of the former national leader of my party, and I assume we are referring to the same person, who referred to the policies of the federal Liberal Party as being arsonists in our Confederation today; and that is so true.

Mr. Reid: Mr. Speaker, a point of order. I wonder if the Treasurer, since he is in such a convivial mood, would mind replying to the questions I put in regard to the Canada Pension Plan.

Hon. Mr. McKeough: The answer to your question is that within the $1.42 billion is, I think now, some $550 million interest on the Canada Pension Plan outstanding debentures—

Mr. Reid: I was going to say, don't look at us.

Hon. Mr. McKeough: —which I think are now something like $10 million. Within the $460 million something is the interest on the money which we have been earning on part of that.

We will cross the line. We are borrowing from the Canada Pension Plan this year about $850 million. We are paying back something around I think $450 million or $500 million in interest. Those two points will meet in about 1980 or 1981. I will debate this with the member—I won't debate it with the member, I will discuss it at some point.

I think one of the very large questions which we have facing us economically is the future of the Canada Pension Plan. When those two lines cross it is not going to distort anything. We will still be getting an amount of money to do something with and will be paying out an amount of money over here to pay interest on it. There is no question that that money will have to roll over.

My own view is, tentatively, that we should be moving towards, albeit slowly, a fully funded plan. But as things now stand, to put it in the simplest possible terms, there is going to have to be an increase in the contribution rate to the Canada Pension Plan if we are going to pay out the rates of benefits which are being paid out.

Members opposite will know that on this side, my successor who is now the Minister of Energy (Mr. J. A. Taylor) started the argument, fully supported by me, the Minister of Community and Social Services (Mr. Norton) carrying that argument forward with Mr. Lalonde. The report, which was referred to was the report of the Canada Pension Plan Advisory Committee, which, with great respect, would spend more money than is coming into the plan presently. If those lines cross in December, 1981, they have proposed amendments which would—make that October, 1981, or whatever.

We are going to have to face up to that problem very soon, in the next couple of years. I would be glad to send the member for Rainy River copies of about six speeches I have made on this subject.

I went to Chicago about three months ago. To put something on the record, many of Hydro's bonds sold in the United States are, surprisingly enough—and I told this to the Ontario Teachers' Federation the other day—owned by teachers' pension plans or state employees' pension plans. Ontario Hydro and province of Ontario bonds are considered a very good investment with a triple-A rating and they hold great chunks of our bonds. One of the investors I met in Chicago, who on behalf of his plan owns a lot of our bonds, said "What is this liability to the Canada Pension Plan? What does that mean?"—it is shown on our balance sheet at $5 billion or $6 billion.

I said, "Well, you should have a liability, of course, on your US balance sheet for social security."

I am sure the member for Rainy River is aware that the United States social security plan is now bankrupt. They are going to take in less money this year than they will pay out. President Carter has really advocated some very drastic medicine for that situation. I said that in a typically Canadian compromise, the province of Quebec, in fairness, wanted a fully funded plan. Most of the provinces—including Ontario—wanted a pay-as-you-go plan and we developed a typically Canadian compromise 10 years ago and we are somewhere in between.

[8:45]

I said if our balance sheet is wrong, or half-wrong, then theirs is completely wrong; because their balance sheet shows no liability for what they owe for social security. Those amounts in actuarial terms would be staggering, and we are somewhere in between. Whether we resolve this whole argument by going to a fully funded plan, I'm not sure. I honestly don't know where we will be—oh, realistically, four or five years from now.

Mr. Reid: If I may, what does this do to your balanced budget by 1981?

Hon. Mr. McKeough: We would continue to borrow.

Mr. Reid: Except that you can only borrow so much. The interest that you are going to gain has got to equal the expenses that you are spending, does it not? You are going to have to go to the market, are you not, to get that money?

Hon. Mr. McKeough: I show that interest as a budgetary expense. It's above the line. One of the vagaries of government bookkeeping, I think, is that we show all the credits on one side and all the debits on the other side; and the twain don't meet. Realistically they should. But it is quite possible that I could be theoretically paying $1.1 billion and borrowing $800 million from the Canadian Pension Plan. Wherever I pay my interest to—our interest, your interest, when I say "my" I am being overly protective or something; I'm talking like my deputy minister, who really looks after the dollars and cents. Wherever we pay our interest is one transaction; however we finance or tax for that is another transaction.

Mr. Reid: There is still only so much to be got out of that pot.

Hon. Mr. McKeough: Oh yes. But all of this is out of order, Mr. Speaker, because the —however, since you are being your usual charitable self--

Mr. Reid: When are we going to have a chance to debate this?

Hon. Mr. McKeough: During my estimates.

Mr. Speaker: I think we should leave it until then.

Hon. Mr. McKeough: We will talk about our money.

Motion agreed to.

Ordered for third reading.

Clerk of the House: The ninth order, second reading of Bill 9, An Act respecting the Registration of Venture Investment Corporations.

ORDER OF BUSINESS

Mr. Cassidy: On a point of order, Mr. Speaker. We've got our wires crossed a bit and I wonder whether the Treasurer would agree to going back to the previous order for The Succession Duty Act amendments.

Hon. Mr. McKeough: No. This afternoon the member for Lakeshore (Mr. Lawlor) quite properly pointed out that he had not received the printed bill and asked that we switch the order and I agreed to that. I have no strong feelings on this, but that was the arrangement this afternoon. I am doing six bills, the Provincial Secretary for Social Development (Mrs. Birch) is doing the seventh bill. The Minister of Revenue (Mrs. Scrivener) is doing seven bills, with some assist on the seventh bill from the Minister of the Environment (Mr. Kerr) and I am dealing with my six in a block. I agreed this afternoon at 4 of the clock to drop the succession duty bill to the bottom of my list. That is the understanding I have; we have arranged staff accordingly and we are prepared to go ahead with Bill 9 now.

Mr. Lawlor: Mr. Speaker, if I may just for a moment. The bill hadn't been properly perused because it wasn't printed and delivered into our hands until recently and the minister was good enough to put it down. We are in a position where we are prepared to proceed at this time in seriatim order. If you wish to do so, fine. We would prefer to at this stage, but we have had no opportunity to so inform you until this time. We'll leave it up to you.

Hon. Mr. McKeough: I'm sorry, Mr. Speaker. If I had know that before 6 o'clock I could have arranged staff accordingly, but we really arranged staff to be here now for venture investment and the tobacco tax and I suggested that they should be here later for succession duty. No doubt in the spirit of co-operation which my friend is in, we'll be onto all of them tonight in any case.

Mr. Cassidy: On a point of order, Mr. Speaker. I believe the minister will agree that the legislative members have priority in this place and not just the staff. I regret that the wires were crossed. I was only aware of this well after 6 o'clock.

Mr. Speaker: Order, please. It is at the discretion of the government House leader, I presume, who made these arrangements and who was a participant in these negotiations and arrangements. As I understand it, Bill 9 was to have been called at this time. I think we should proceed with Bill 9. If the hon. minister will move that we will proceed.

Mr. Cassidy: Mr. Speaker, I repeat my request to the minister. If we could consider the alternative, it may be possible to finish with the other bill prior to 10:30 tonight. As for venture investment corporations in Ontario we did have a number of people who did wish to speak to that particular bill.

Hon. Mr. McKeough: Mr. Speaker, I understood that we were going to finish certain bills on Monday night, certain bills last night and certain bills today.

VENTURE INVESTMENT CORPORATIONS REGISTRATION ACT

Hon. Mr. McKeough moved second reading of Bill 9, An Act respecting the Registration of Venture Investment Corporations.

Mr. Lawlor: We agree with this bill basically, but there are some elements; I just wonder, for example, what the Treasurer thinks of the efficacy of the bill. In other words, how is this going to work?

This is fine. It will be financed by major corporations. True, they can only have a very minority interest in the operation of the investment corporation. As to the range of investment; first of all, it's held basically domestically and we can't help but agree with that.

The benefits conferred on small businesses are thin. I think it would be generally conceded to be fairly negligible in the province of Ontario up until now. Even within this kind of legislation, the amounts to be advanced are not great sums of money. They probably are going to be controlled from single sources, that is from whatever the holdings may be. The major financial institutions of the province will still have major control in this particular regard. That's fine as far as it goes. The point at issue is whether many people can qualify to be so incorpor-

ated and how in their operating lines they exist at arm's length with their shareholders. The eligible investment involved in this is that 90 per cent or more of the assets are situated in Ontario and 90 or more of wages and salaries are paid in Ontario.

Another of the important features is that the venture investment corporation must not hold more than 40 per cent of the equity shares of the small business. One of the beneficial things in the legislation is that they must give some preservation against personal liability of the individual seeking to go forward with the venture investment corporation. That gives them some status and preservation over against personal liability.

In its general purport and tenor, and having some very serious doubts as to what the range of operation of this kind of corporation will be, anything that will be a contribution to the life of small businesses in Ontario is welcome and acceptable. I trust that the institution will flourish. I simply have doubts as to the accessibility of most small businesses to this particular way of assistance. I wonder what the Treasurer thinks as to its future viability and possibility. What response has been anticipated with respect to small business and the stimulation of that area of enterprise in this province?

Mr. S. Smith: I want to say we welcome the fact that there have been the necessary changes in the federal law to allow the Treasurer to proceed with the venture investment bill, although we are a little concerned lest the bill become more of a tax shelter for large corporations rather than a real boon to small ones. However, we are willing to proceed on the best advice that the Treasurer has available to him and we are willing to see how this works out.

Our concern, of course, is that small business in Ontario needs to have a very special set of circumstances created for itself so that it can flourish and so that it can get some of the breaks, in one way or another, that are presently available to large industries.

I am just a little bit concerned about the jungle that a small business person presently has to go through to find sources of risk capital. I hope that the Treasurer has given some thought, and I suspect that he has, to some way of simplifying for the small business people the method by which they gain access to venture funding.

Many's the time, and I'm sure the Treasurer has himself tried to assist people in his own riding, many's the time people have sought ways to gain access to capital. By the time they have finished with banks and with trust companies and with acceptance corporations, and have gone through the ODC and various federal manoeuvres and tried to obtain assistance from various programs, they have pretty well had to give up because of the fact that more of their time has been spent on red tape than in doing business. That is not an exaggeration and it's not meant humorously at all.

I think, therefore, one of the things that should be done is for the government to give real thought, once the Act is set up and various corporations occur, to setting up a kind of clearing house situation. That is one place where information can be given, where one form can be made out and that form can be used by the small business person in applying for venture capital, be it from the government, from the ODC, from the federal government, from financial institutions or from venture investment corporations. A central clearing house mechanism can assist one business person in making out one form and that will be the lot, rather than inundating him in red tape. That's just meant as a constructive suggestion to the Treasurer, and I trust he'll have a comment on that.

We are a little worried about how this venture investment corporation Act will work out, but we're certainly prepared to give it a try and we welcome the fact that after so many years it is finally before us and that the necessary federal changes have been made to allow us to proceed.

Mr. Cassidy: Mr. Speaker, I want to speak for a minute or two about this particular bill. The aim of the bill is to provide a new means of getting risk capital and managerial assistance to small business. I do suspect that the vehicle is flawed to the extent that it may do far less good than the Treasurer and the bill's proponents hoped. I think the point has already been made that this looks far more like a new game that the people on Bay Street can play rather than something which is going to be of meaningful assistance to small businesses which are outside of the immediate range of Bay Street.

The idea of the bill is to give these big businesses tax privileges in order to encourage them to funnel money into small business, specifically with a 250 per cent writeoff against taxable income on any money which they invest in a venture investment corporation. In practical terms, therefore, a $40,000 investment becomes a $100,000 writeoff.

I would appreciate it if the minister can give a figure on how much is saved in profits taxed. As I would read it, it's about $15,000 in provincial tax which is saved if a company is paying corporate tax at the full rate. I'm

not clear whether there is some comparable kind of benefit out of federal tax as well or only a partial benefit. I would like to know as well whether the provincial government is pressing the federal government to take that action. If it is, then there's the situation where, in fact, money can be transferred out of profits into a venture investment corporation with absolutely no commitment or no loss to the corporation whatsoever. It's risk-free, cost-free venture capital. I'm not sure whether we should pass money from the public Treasury into the risk capital business holus-bolus like that, leaving all of the benefits and all of the direction in the big business sector.

However, I wait for further word on that because I believe that what I have just said is a bit hyperbolic. What is happening is that the public, through the tax system of Ontario, is effectively taking about 40 to 50 per cent of the risk that such money will go down the drain and that the venture investments will turn out to be useless.

[9:00]

The one thing that the venture investment corporations do not appear to be is a vehicle for a group of investors to get together in order to get a small business venture off the ground. In other words, if Mr. Conway, Mr. Roy, Ms. Gigantes and myself, for example, wanted to establish a small business to go into the political polling industry in eastern Ontario and we wanted to pool our capital, we could not take advantage of this particular kind of a body. For that matter, the Chamber of Commerce of Renfrew county couldn't really get into this either if they decided to pool their resources. For one thing, most of them wouldn't have a corporate tax base from which to draw. For another thing, the requirement of arm's length involvement can simply not be reached. For instance, if a group of people in an area or a locality in a region decide that they want to get together and help the region pull itself up by its bootstraps by providing venture capital for a number of worthy enterprises, the chances that they will personally be involved in some of these enterprises are simply too great. Therefore, they will not be able to benefit from the venture investment corporations.

The third thing is that the venture investment corporation can only be established if it has outstanding capital worth $250,000 in the first year, rising to $750,000 by the end of the fourth years. Once again, Mr. Speaker, I know that we are all somewhat at sea in trying to define small business. Under certain definitions, I understand that Timothy Eaton Company Limited can be defined or considered as a small business because it is owner-operated and doesn't have any public shares. The fact that it's bigger than almost any other Canadian-owned company is sort of irrelevant.

We've tried doing such things as putting an estimate on small businesses based on the fact that it's owner-managed, or based on the fact that it is limited to no more than a certain number of employees, say in the range of 100 to 200, or that it is not a subsidiary; or if it is not owner-managed then it is controlled by a very small group of entrepreneurs who play a direct role in operating the business.

For firms at the upper end of that size range, which may have 100 employees, assets of $1 million or more, or a turnover as high as $5 million or $8 million a year, clearly they stand to benefit from venture investment corporations of the size which are proposed in this particular bill. However, for a bunch of people who want to get involved in the business world, and who come knocking on the door, they're going to find that the venture investment corporation would simply turn up its nose at them. If you want to start a small machine shop with about half a dozen employees to begin and a capital investment of about $75,000, a few lathes and that kind of thing, you're just simply too small. The amount of equity required is too limited to really attract the attention of corporations which are going to have to be working pretty damn fast in order to build their assets or an outstanding capital of up to $750,000 by the end of the fourth year.

I understand the requirement that the position in small business should not be more than 40 per cent of the equity shares in that small business. That's the one protection against big businesses taking complete control, although we all know that a 40 per cent stake is tantamount to complete control in many cases.

Quebec has taken a rather different approach and, I suspect, one that is more promising to the question of developing Canadian-owned small enterprises. The Treasurer may recall that we spoke about that. I spoke about that in the budget reply in April with the concern for small business which, I suppose, hasn't been demonstrated by the NDP in the past. We're beginning to understand some of the reasons why, in a mixed economy, and an economy which is largely foreign-dominated, it is important to have indigenous courses of capital and indigenous entrepreneurship. We're beginning to understand that if you're going to have a mixed economy,

which we accept, and you want some firms to grow into big ones from which you can drain certain amounts of tax dollars and which will contribute jobs, ideas and that kind of thing to the economy, you've got to have a nursery and that nursery has to be of small businesses.

The fact is that this particular bill is coming forward very much in isolation. Without repeating a former speech that I have given, we think there are a number of ways in which the government can provide a more encouraging climate for small businesses than it does today. There are such things as a Buy Canada policy, such things as requiring that a certain proportion of government of Ontario contracts be let out to the small business sector and such things as Ontario's directing public purchasing in the direction of industry in this province rather than being quite uncritical about having Ontario taxpayers pay for goods that come into our public enterprises from anywhere in the world.

In Quebec, Chambers of Commerce and other regional bodies that group together business people are being encouraged to set up small business development banks or small development funds. They are being given tax incentives and that kind of encouragement from the new Quebec government which has simply adopted or recycled proposals which had formerly been launched and developed by the Liberal government.

The idea is regionally based. In certain circumstances, I gather that the guy who sits on the board of directors and who happens to be setting up a machinery repair depot or a small manufacturing outlet or something like that will be entitled to benefit from the funds. That may be more realistic, as long as it is carefully watched, than a situation in which there is an absolute arm's length provision so that everybody who provides the money will come from Bay Street and nobody who is actually involved in the small business field will be able to be involved in the direction of these venture investment corporations. It seems that the Quebec idea has more of a co-operative spirit about it than what is being proposed here in Ontario and I certainly commend it to the Treasurer for him to look at. I think we should compare and perhaps combine the approaches of the two provinces.

We have raised the question of small business management problems. I don't think that's adequately dealt with in this particular bill. We do not feel that this bill should be put forward in isolation without any accompanying industrial strategy or without other techniques of self-help for small businessmen in order to encourage them to participate themselves in their own destiny and not constantly to be having to wonder where the devil the capital is going to be coming from.

Mr. Makarchuk: I just wonder if the minister in his reply would be able to give a definition of what he has or his department has in mind in terms of what the definition of a small business would be for the purposes of this Act. I am thinking in terms of number of employees, assets, and so on, that it would be interesting to know this information.

Ms. Bryden: I just had a few comments I wanted to make. This proposal has rather the flavour of a great many other proposals put forward by the government as its method of getting the economy stimulated or getting some developments in our economy, and some new job-creating activities. It seems to be the rather stereotyped approach of the government that it gives very large and generous tax concessions to large businesses, which are the main ones that can qualify, while the rest of us really pay for it because we pay more taxes when they pay less taxes if there is a given amount of money to be raised. Then we leave it entirely to the people who get these large tax concessions to decide where the money will go, what kinds of businesses will be assisted, whether there will be any specific number of jobs created or what kind of ventures will be promoted.

I think this is much too much 19th century laissez faire, which gets us into a position where we are handing out large amounts of tax money without knowing what we are getting for our money. There doesn't appear to be any plan in the ministry to monitor the results of these tax concessions.

Of course, as we all know, we never get reported to us the actual amounts of tax concessions the way we get expenditures reported. They just show up in reduced revenue from one sector of the economy and in increased taxes to the rest of us. I think this is a rather stereotyped approach to stimulating small business and new ventures. I think we need a lot more besides that. We are not going to oppose this bill because we are willing to try and see how it works. But we would like more monitoring of it.

Some of the other things that the minister should be considering in order to get the sort of innovative approach that you do get from freeing up small businesses and letting them get started, is management advice and assistance, which a lot of them need and can't afford.

Regular assistance in getting bank credit for inventories and for working capital at reasonable interest rates is needed. The bigger the firm the lower the interest rate they are usually able to get from the bank. Possibly guaranteed loans would help. The United States government does some of this for small business. We do have our development corporations which do a certain amount of loaning to small business, but always at a very high interest rate; and we never have been able to find out the criteria on which those loans are made to developing corporations and how many jobs they actually have created.

We also need assistance in the way of helping them with a reasonable rent, if they are in industrial parks or shopping plazas. Again, the larger the firm the lower the rent seems to be. And of course the question of uniform store hours comes up if you are going to help free up free enterprise in this province. You don't want free enterprise that requires everybody to stay open 24 hours a day because that's just counter-productive.

I think these are some of the things that must be combined with a bill of this sort, if we really want to have an improvement in our free enterprise economy. In fact, you might even say that the NDP is the only really free enterprise party in this House, because we would like to free up industry and have more competition and more opportunity for these small businesses to get going, rather than giving so much to the large businesses.

Mr. Eaton: Free enterprise, meaning that you control?

Ms. Bryden: One other area that I would like to suggest the minister look at is whether there can't be some venture capital provided for co-ops in various fields. A housing co-op is a business venture which is providing a service that is badly needed, but they do have great difficulty before they can get their CMHC mortgage.

Hon. Mr. McKeough: It is non-profit.

Ms. Bryden: Other co-ops for groceries and for small manufacturing also need that kind of help.

Hon. Mr. McKeough: They are non-profit.

Ms. Bryden: So that is another area that might be worked into the act in some way, to see whether something could be done for the co-operative sector.

Hon. Mr. McKeough: Mr. Speaker, I really have to have a little bit of thought; without starting debate on either Sunday closing or store hours or something else, I really don't know how my friends back there—

Mr. Cassidy: You better look back there, those are the only friends you've got.

Hon. Mr. McKeough: How do you free up free enterprise by having uniform store hours? That has got to be the greatest dichotomy that I've heard in a long time. Without being on one side of that issue or another—

Mr. Cassidy: On a point of order.

Mr. Speaker: Well, do you really have one?

Mr. Cassidy: I would like to know whether store hours are within the principle of this bill.

Mr. Speaker: I haven't heard of it.

Hon. Mr. McKeough: Of course, if you had been listening, you would know that was a point raised by your colleague from Beaches-Woodbine. Obviously she's running for the leadership too, so you don't pay any attention to her and she isn't paying any attention to you.

Mr. Conway: And the question is, Darcy, what leadership are you looking for?

Hon. Mr. McKeough: Just getting my bill through, calmly and quietly, and being helpful.

[9:15]

Mr. Conway: I have said you are the replacement for Clark.

Mr. Cassidy: You have tasted the royal jelly and—

Hon. Mr. McKeough: Yes. Now, speaking to the principle of this bill, Mr. Speaker—

Mr. Speaker: Meanwhile, back at the bill, right.

Hon. Mr. McKeough: I would, of course, endorse what I think the Leader of the Opposition said about that. We are grateful that the Minister of Finance, with some urging or some assist, indicated that they would not disallow what we might do in this type of legislation, having introduced it I guess as a zero zero bill first, and then as a bill which died at first reading, then as a bill which was introduced in April and is now back here really for the fourth time. It goes back really to a concept which was introduced by my predecessor in 1974—I think that would be correct—when he first talked about it.

Just two or three comments. I would agree with the member for Beaches-Woodbine that the management advice is as important as the money in the starting of a small business and that is part of the principle behind this

bill. Let me say very quickly that we don't look at this as a complete panacea. It is part of a package, part of a program. It is a place to tap for venture capital. Some of the larger firms are interested in getting involved in the venture capital business. This is a way to facilitate their entry. It's a tap which we think this bill will turn on and allow them to do some investing in small business and in the venture area.

There are other taps. This isn't going to solve all the problems of encouraging small, venturesome entrepreneurs in our society, but it is probably one of them. I would point out that large firms not only supply the money but can supply the management expertise, some of the advice, without going to consultants which the small business and the new businessman so often very desperately needs.

Let me answer some of the questions. The questions from the member for Lakeshore as to the control: The VIC can't hold more than 40 per cent of the shares of the small business. The test of that 40 per cent includes the VIC and all its subsidiaries and associates. Provision is made for decontrol once it ceases to be a small business. This is a way to get people into business, and there are provisions to get the investor, the large business, out as quickly as they become a success. If they're not a success then of course I suppose they go out of business on their own and go down as a bad investment on the part of the large corporation which is putting up part of the money, and certainly in many cases probably will be putting up the expertise.

To date in all this discussion we have had a good response both from a number of large businesses, from the investment community, from the venture capital people and from small businesses. What the results will be I'm not prepared to indicate, or give any kind of an estimate. We'll put a limit on it at some point. We obviously don't want to have it cost too much in terms of corporate taxes. I'm not going to put a figure on it at this moment. Perhaps we will when we see, probably by this fall, some indication of how much money might be registered and under way in the first year.

Section 18 provides the protection against the VIC being used solely for a tax avoidance. We believe that the requirement that a VIC should have 80 per cent of its assets in eligible small business will force the VICs to go out and hunt for small businessmen. We think there's a real pressure on them to look. If that's really not why they're in the business, we think that there is pressure within the bill for them to go out and look for risk-taking investments if the risk-taking investments don't come to them, which is what I really think will happen.

The Quebec venture corporations have more of a field, really, because Quebec can work through the personal income tax system which they control in that province as well. That makes a provincial personal income tax system more attractive in this province, but I am not advocating it tonight at any rate.

Finally, the member for Brantford asked what the definition of a small business would be. This will be dealt with in regulation, and we are developing a regulation for this fall. This is a memorandum on that subject, on the definition. The bill defines a small business as a corporation which meets the asset, number of employee and profit tests prescribed by the regulation.

Members will want to know why such an important definition has been left to the regulations and they will probably press, and properly so, for some idea of the levels at which the parameters will be set by the regulations. We haven't defined this because originally we thought we were going to use the federal definition. We have decided the federal definition isn't that appropriate and we are developing our own.

We would be glad—not necessarily tonight—to have any ideas. We will be putting that regulation in a draft form and it can be changed to make sure that we are hitting the group we want to hit. The asset, number of employee and profit levels will be prescribed in the regulations for the purposes of flexibility.

A universal definition does not exist. Every government program and every interest group have developed different definitions. I can give members some examples of that. It's quite likely for these purposes, legislation having been in effect for a period, the size criteria will probably have to be adjusted. The size can be broadened, if an insufficient number of prospects are being found, or the definition may be narrowed if investments in eligible small businesses prove to be replacing conventional financing.

We haven't defined this as yet. We will be ready in the fall. We have been using section 125 of The Income Tax Act, that definition of small business, and we have been going on that basis, on the basis that the federal government might have parallel legislation. They've now indicated they won't, but they're not going to hinder our legislation. They having taken themselves

out of the field, after having got into the field tentatively a year ago, we wanted to adopt their definition. Therefore, we are really back at square one looking for our own, and I hope we will have that this fall.

Motion agreed to.

Ordered for third reading.

ROYAL ASSENT

Mr. Speaker: Just before we proceed with the business of the evening, I beg to inform the House that in the name of Her Majesty the Queen the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in her chambers.

Clerk of the House: The following is the title of the bill to which Her Honour has assented:

Bill 1, An Act to amend The Unified Family Court Act, 1976.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. McKeough moved second reading of Bill 10, An Act to amend The Tobacco Tax Act.

Mr. S. Smith: During the course of the recent election campaign, I had the privilege of going before the people of Ontario and proposing to them a rather drastic remedy—

Mr. Cassidy: Bizarre actually.

Mr. Roy: You are the only one who is bizarre around here.

Mr. S. Smith: —to the difficulties that faced the province from an economic point of view. We diagnosed that the reason—at least one of the reasons—we now suffer from a combination of unemployment and inflation is that the private sector has been having more and more difficulty, particularly with regard to its competitive position, but general difficulty in competing with the public sector for the share of the dollar that is in each person's pocket. The heavy demands made by the public sector in recent years are partially to blame for the difficulty suffered in the competitive enterprise system we all believe in.

In prescribing a remedy for this problem we recommended that the revenues of the province, while they could grow for reasons of general economic upturn, should not be permitted to grow by increasing the rate of tax; and that some measure needed to be adopted whereby the share of the taxpayer's dollar that went to government in this province had to be kept constant and prevented from growing any larger than it already has.

We chose, therefore, to put this in the most graphic and most vivid terms that we could, to put it in what has been called simple terms. I think that sometimes simple truths are the best truths. Sometimes clichés, and so on, have as their greatest virtue the fact that they are true. In any event, they are very understandable.

We felt, therefore, that our proposition was one which was simple and straightforward. We said to the people of Ontario that were we in government we would keep every tax increase and every rate increase, with the exception of those involving energy and energy conservation, every fee increase of government—and we included, as you know, property taxes—under the same guidelines as the Anti-Inflation Board applies to wages.

There are reasons to believe that is perhaps an unduly rigid and perhaps to some extent a restrictive way of approaching taxation policy. We recognize the virtue of flexibility, but we feel that flexibility at a time like this, when so many Ontarians are unemployed, when our economy is in such grave difficulty, is something we are willing to give up in the interest of simplicity, in the interest of putting before the people a definite promise that they could easily monitor without having to be economists, without having to delve into the Treasury, without having to look into in great detail the way in which the government spends money.

We put something before the people that every citizen could understand, so that every citizen who was asked to live within a limitation on his income could appreciate that the government was going to apply to itself the same kinds of restrictions and difficulties which ordinary people were asked to live with.

Mr. McClellan: Tell us about your social service cutbacks.

Mr. S. Smith: Consequently, The Tobacco Tax Act which is presently before us, recommends an increase in the tax vastly in excess of eight per cent. In fact I believe it is closer to 35 per cent. That rate of increase, under the undertaking we made to the people of Ontario, is excessive.

We feel, although we have no particular reason to oppose some increase in the tobacco tax, that the increase should stay within eight per cent. This is the guideline understood by the people of Ontario to apply to their own salaries, this is the guideline used with regard to the rent review procedure, this is the guideline we believe should apply wherever possible to prices; and this is the guideline we believe the government should adopt for itself.

We appreciate there are those who would prefer a more flexible policy of taxation. In

ordinary times we ourselves would prefer a more flexible policy of taxation; but these are not ordinary times, these are exceptional times. We need to be clear, we need to be definite. We, therefore, cannot support an increase in the tobacco tax which is in excess of eight per cent; and in this instance vastly in excess.

We would be prepared to vote for an eight per cent increase if the government saw fit to bring one in. But because of the suport they are receiving from the third party, we doubt that they will bother to bring in a bill with a lower tax rate. Consequently we will simply vote against the bill as presented to us and we will do so for the reasons I have just explained. Thank you very much, Mr. Speaker.

[9:30]

Mr. Cassidy: Mr. Speaker, I waited with interest to see whether the Leader of the Opposition was planning to divide the House on his principle which he has introduced into Ontario political life.

Mr. Roy: He has got more guts than you guys have.

Mr. Cassidy: I must say that he comes up with a principle which, the way he puts it, sounds like a new tablet of stone containing the Ten Commandments for Ontario and then he applies it to the cigarette tax—

Mr. Reid: Ever hear of the Regina manifesto?

Mr. Cassidy: I don't know, did the member say charter, I think that's what's in vogue right now.

At any rate it's interesting that he should apply it to the tobacco tax of all things.

Mr. Laughren: Not income tax.

Mr. Cassidy: And it's interesting as well that in the course of the entire speech, Mr. Speaker, the Liberal leader once again has failed to say where the revenue would come from that he's forgoing because of this ridiculous principle which is introduced in Ontario life.

Mr. Laughren: Right on, typical.

Mr. Cassidy: The part of the principle about tax increases which do occur from time to time is that you hit different things at different times. One year it may be appropriate to raise income tax. Another year it may be appropriate to lower income tax and raise some other tax.

The tobacco tax tends to go up every two or three years. We've never been particularly worried about it, and in fact as an ex-smoker I must say that it's probably going up by too little rather than by too much. The Liberal leader was not cognizant of that.

Mr. Reed: How the righteous rule.

Mr. Cassidy: What we need to know is this. The former tax was 15 cents a package of cigarettes. It's going up by five cents a pack, or $58 million. If you cut that increase down to 1.2 cents, or eight per cent as advocated by the Liberal leader, you forgo three quarters of that $58 million or approximately $44 million, and I'd like to know where that money is going to come from, because I think the people of Ontario have got the right to know, if there is going to be a responsible opposition in this House, where taxes forgone are going to be raised.

Mr. Reed: You want to live off the avails of sin.

Mr. Cassidy: It is not good enough for the Liberal leader to say, "Oh, we'll take it out of the fat," because they've never told us what the fat is. The member for Rainy River and before him the House leader for the Liberal Party (Mr. Breithaupt) were chairmen of the public accounts committee of this Legislature for many years. They clearly had very great opportunities--opportunities unparalleled by any other private member in the House—to know whether there was fat and if so what it was and if so—

Mr. Roy: They did cut out a lot. They did an excellent job.

Mr. Cassidy: When you listen to the catalogue of spending cuts though, it's Minaki Lodge, superministers—and then they stop. That's $5 million or $6 million and you can't spend $5 million or $6 million again and again.

Mr. Reid: On a point of order, Mr. Speaker.

Mr. Cassidy: I am really concerned—

Mr. Acting Speaker: Order please. The hon. member for Rainy River is rising on a point of order.

Mr. Reid: I'd like to point out that there were some NDP members on the public accounts committee while I was chairman, but their contribution was very small.

Mr. Laughren: Not chairing it. You chaired the committee.

Mr. Acting Speaker: The Speaker's assessment is that that is not a valid point of order.

Mr. Reid: It's a good point though.

Mrs. Campbell: It's a point of view anyway.

Mr. Cassidy: Of course, I was a member of that committee.

The fact is, as the Treasurer will tell us from time to time, that it ain't easy. As an observer of politics at the federal level and then as a participant at this level I would agree with him, it isn't easy. There are always demands. There are areas of public spending that are very difficult to bring under control and certainly to roll back. But the Liberal Party does not recognize those kinds of problems and it simply says, "We don't know where the money is going to come from, but take it out of the fat."

It is certainly worth noting that during the course of all this budgetary discussion that we've been having on the tobacco tax and other taxes as well, the New Democratic Party has very specifically said what we would do and where we would get the money to pay for it. The Liberal Party has never said where the money would come from to pay for their tax cuts, to pay for their forgone taxes and to pay for their various programs.

Mr. Roy: You've become nasty since you quit smoking, Mike.

Mr. Cassidy: During the course of the election campaign they spend billions of dollars, but unfortunately were never brought to task by the media for what that money was all about.

Mr. Roy: You are just annoyed because you are no longer the opposition.

Mr. Cassidy: During the course of the intervention by the Liberal budget critic they talked about billions of dollars in tax cuts, but never said where the money was going to come from. You know there is always a starting point and I think tonight is a starting point. Perhaps the member for Ottawa East, who is so agitated right now, would like to speak up.

Mr. B. Newman: You got him, Al.

Mr. Cassidy: Perhaps the member for Renfrew North (Mr. Conway), who is always so agitated, would like to speak up and say exactly where that $44 million is going to come from.

If they say that the tax on cigarettes should only go up by 1.2 cents rather than a nickel a pack, that's okay. It's a legitimate point of view. They should say, though, where else the money is going to come from. I would hope as well that for the first time we might hear from some of the new members of the Conservative caucus and that they might bring the new opposition to—what's the word; to heel, to account? To account.

Mr. Eaton: Kick them around a bit, you mean.

Mr. Cassidy: In order to get them to say exactly what it is they intend to do. I don't want to do the government's work for them. You've got a bit of work to do as well.

Hon. J. A. Taylor: The government doesn't want you to do it for them either.

Mr. Cassidy: Because this is the most ridiculous bunch we've ever seen in Ontario, it really is.

Mr. Acting Speaker: Order, please. Perhaps we could get back to the principle of the bill.

Mr. Roy: Mr. Speaker, in spite of what he said, I still support him for leader.

Mr. Conway: Only if he tells us about nationalization.

Mr. Cassidy: Good God, that's the member for Renfrew North. He's got a one-track mind.

Mr. Conway: I will tell you about the tax cut if you tell us about nationalization.

Mr. Cassidy: One thing we'll never nationalize is the member for Renfrew North.

Mr. Acting Speaker: Order, please. Perhaps the hon. member for Renfrew North will not interject and cause any discussion irrelevant to the bill.

Mr. Cassidy: Thank you, Mr. Speaker. I hope you pass those words of advice on to the Deputy Speaker because he doesn't appear to have quite grasped the principle, in particular with reference to the member for Renfrew North.

Mr. Speaker, I've said it before, I'll say it again, and I am concerned about this: It's obvious that people pay the cigarette tax. It isn't paid by corporations, it isn't paid by invisible people up there; it's paid by real people who've got to pay an extra nickel starting midnight a couple of nights ago when they go to the supermarket or to the tobacconist for their cigarettes. It's an extra expenditure that's going to come out of people's pockets. When you add up all of the increases, such as tobacco tax, vehicle registration fees and environmental tax, most of the tax increases in this particular budget are being paid for by individuals.

Mr. Roy: Well; I didn't realize that was so, Mike. You are coming along.

Mr. Cassidy: The tax cuts are generally going to business. An $84 million cut in the corporate income tax. The government estimates that the concessions on succession duty and gift tax are worth $8 million. Clearly, that doesn't benefit the ordinary guy because

he doesn't pay succession duty and never will be in that particular position. The cuts in corporate income tax and dividends amount to another $75 million, again for very wealthy people. You're taking money from ordinary people; you're putting it into the pockets of corporations and of very wealthy people. I'm disturbed by that direction in fiscal policy which is represented in the tobacco tax increases which we have today.

Finally, Mr. Speaker, and I said this during the budget debate, we of course, will support this particular tax. The fact that it's up by a nickel or by more than eight per cent or whatever isn't particularly relevant. In fact, I believe that the tax raises the price of a package of cigarettes by somewhere around four per cent or so. In other words, relatively speaking, the price of cigarettes has been rising by much less than the consumer price index generally. In other words, if you will, the government is conspiring in encouraging people to addict themselves further to the poison of nicotine and tobacco—

Mr. Roy: Here we go.

Mr. Cassidy: —in order to try and get around all of the problems they're having with their finances because of the inflation, the difficult economic situation and the unemployment which has been contributed to by the Treasurer.

Mr. Ruston: Better talk to some of the members there, Mike.

Hon. W. Newman: What kind of poison have you had?

Mr. Cassidy: For public health reasons, if for no other reasons, it seems to me that the government should seriously consider whether or not Ontario could not increase the tobacco tax by more than the nickel a pack which is being advocated right now.

Mr. Roy: He only says that since he quit smoking.

Mr. Cassidy: I seem to recall that the figures we had from the then Minister of Health (Mr. F. S. Miller) indicated that here in Ontario, through the Ontario Health Insurance Program and other government expenditures, we spend far more in government money, in public people's money, in taxpayer's money, to cure tobacco-related diseases and to support people who are disabled because of tobacco-related disease than we collect in the tobacco tax.

Mr. Laughren: The Minister of Health (Mr. Timbrell) admits it.

Mr. Cassidy: That's right. The Minister of Health admits it. In other words, this is like The Crown Timber Act. We get less in stumpage than it costs us to reforest the trees, and we don't reforest enough of the trees either. Well we get less in tobacco tax than it costs to look after the victims.

A tax which people keep looking at as a luxury tax, as a discretionary tax since you don't have to pay it, as as a means of softening the blow of other taxes on the ordinary taxpayers, is in fact not that at all. It's a tax paid by smokers in order to pay for the disabilities that smokers tend to suffer because tobacco is such a poisonous weed. I would like to suggest that this tobacco tax could quite well be increased.

Hon. W. Newman: The tobacco growers will love you.

Mr. Cassidy: That may be.

Interjections.

Mr. Cassidy: I understand that you have a compendium of my sayings, is that right?

Hon. W. Newman: You probably grow it in your back lot.

Interjections.

Mr. Cassidy: You know, the Conservative Party takes everything out of context. They really do. Bill Davis was really misleading when he ran around to ridings such as yours and talked about succession duties—

Mr. Acting Speaker: Order, please.

Mr. Cassidy: —because the Conservative Party supported and supports the exemptions of succession duties for farmers. They always have and always will.

Hon. W. Newman: He didn't have to come to my riding.

Mr. Acting Speaker: Order, please. Perhaps the hon. Minister of Agriculture and Food would not interject so that we could continue with the debate.

Hon. W. Newman: Are you against that? I opened my mouth once.

Mr. Cassidy: Mr. Speaker, what is needed, however, is more than just a tax increase. It seems to me that what we need is a general approach on the part of the government as a whole—we're not seeing that, of course—in order to encourage smokers to quit; in order to encourage young people not to take up the habit; in order to provide non-smoking clinics in order to give people a way out of a habit which most smokers, and I speak as a former smoker, deplore and wish to heck they could get rid of. I can't speak for cigar smokers. It may be that they feel content, particularly if they're Tories, with that particular noxious habit.

Mr. Conway: Leave Stephen out of this.

Mr. Cassidy: It's interesting after what the Minister of Agriculture and Food said that most of the ministers in the government do not smoke cigarettes, they smoke cigars; and I'll bet they're probably imported from Cuba. Mr. Speaker, we'll support the bill.

Mr. Conway: Castro is a socialist.

Mr. Roy: I think he's mad at the world.

Mr. Acting Speaker: The hon. member for Halton-Burlington.

Mr. Reed: Mr. Speaker, I'm always amused at the self-righteousness of an ex-smoker.

Mr. Cassidy: Don't tell us about your hangups.

Mr. Reed: I've got some habits too; and I'm an ex-smoker as well, I might add.

Mr. Cassidy: That's okay.

Mr. Eaton: You are putting it on in weight, Julian, among other things.

Mr. Reed: It always seems that we assuage our sense of guilt about these sinful weeds and the demon rum by cracking a tax on it, we'll make the smoker pay. It is, as if somehow or other, in increasing these taxes along with these "sinful luxuries" we assuage our sense of guilt.

Mr. Cassidy: Are you defending the ridiculous position of your leader?

Mr. Reed: I wonder if the member for Ottawa Centre ever wondered, or considered the fact, in the same context that he raised it, that the government may be living off the avails in this particular case.

Hon. Mr. Snow: No, Julian, we wouldn't do that.

Mr. Reed: I wonder whether or not the government, quietly, when it is putting excessive taxes on tobacco and alcohol and so forth, if that amount of revenue is so very important if it is not really living off the avails of sin.

I don't want to belabour this debate, Mr. Speaker, but I think it's a pretty well known fact, in spite of the words of the member for Ottawa Centre, that price increases, particularly in items that are habitually consumed by individuals, whether it be gasoline, electricity, tobacco or whatever, really do not assist in the reduction of consumption over the long run. You can argue it from the righteous point of view as long as you want, but you can never convince anyone that increases in price will assist in conservation or a reduction in smoking.

We go through these debates all the time. We went through them in a select committee, and every conclusion shows that the increase goes on. There is some reduction in consumption temporarily and then, once people get used to the idea, up goes the consumption again.

Mr. Cassidy: That is why it should be part of an overall program.

[9:45]

Mr. Reed: So I would simply say that the position taken so eloquently by my leader a few minutes ago simply indicates a rational approach to taxation in general and we are not going to single out the smoker and suggest, as you have suggested, that it makes us all more righteous to sock the tax to him.

Mr. Cassidy: Who is going to pay the $44 million?

Mr. Reed: Everybody.

Mr. Cassidy: How? Which tax?

Mr. Reed: Okay.

Mr. Acting Speaker: Order, please. Perhaps the hon. member for Halton-Burlington can continue without interruption.

Mr. Reed: Thank you very much, Mr. Speaker. I would just like to say in conclusion that the approach the Liberal Party is taking on this issue is simply reasonable and rational and right.

Ms. Bryden: I would gather that the member for Halton-Burlington was going to increase the income tax or some other tax. You know it's an old principle of taxation that you should have a variety of taxes in your basket if you want to get revenue, because what people escape in one area they will pay in another; but if you want to put it all on the income tax, you are certainly not going to be able to keep within your eight per cent increase there either.

On the tobacco tax, Mr. Speaker, I think the one thing on which I would like some comment from the ministry is why we appeared to have such a lack of communication, when the tax was imposed and then when it came off again, between the ministry and the public, and the ministry and the retailers, and the ministry and the wholesalers. There was certainly great confusion at that time. A lot of people paid tax, as customers to retailers, when they didn't have to pay; but they weren't sure whether the tax had been suspended or not. The ministry didn't seem to be clear that what happened to a budget when an election was called before the budget was passed, and the wholesalers had already paid tax on a good deal of their inventory and so they were collecting from the retailers even after the tax was no longer in effect, and the retailers were collecting from the customers after the tax was no longer in effect. I think

this sort of confusion should have been cleared up very quickly by not only statements to the public from the ministry but also by immediate telegrams to the people concerned so they would know exactly where they stood.

There is now a bulletin out from the ministry telling the retailers and the wholesalers how they can recover what they overpaid or pay what they didn't pay, but it's the most complicated mess you ever saw. I think it illustrates the ineptitude of the Ministry of Revenue which has also got quite a record for ineptitude in administration on its home buyer grants and a few other things. This tobacco tax fiasco was a prime example of how not to run tax collection machinery.

As far as whether we should tax tobacco or not is concerned, I feel that it is a serious health problem, and we do have to be spending some money on trying to correct this problem. We don't just want to have to pick up the pieces afterwards from lung cancer and so on. We need educational programs to convince young people particularly not to start smoking. I don't think nearly enough money is being spent on that by the government, and I don't think they are taking that seriously, and I would like to see all cigarette advertising banned.

Mr. Hennessy: The opposition has mentioned that we go by the guidelines. That is a very good suggestion but how are they going to get the $44 million that we will be out?

Mr. S. Smith: Where did the Treasurer find $133 million overnight?

Mr. Acting Speaker: Order, please.

Mr. Hennessy: Perhaps they can hold a tag day for the Liberal Party. It may help. I think that they have a just cause.

Mr. Conway: Liquor tax.

Mr. Hennessy: Well it's a possibility. Those guys all use the stuff and perhaps they could help us.

Mr. Conway: Mickey, you know the Irish don't drink.

Mr. Acting Speaker: Order, please.

Mr. Hennessy: The member never buys anyway. I think that the government has to raise money from some sources. I smoke cigars, not the Cuban brands, the cheap kind, the White Owls. But in all due respect I support the government's stand. If anybody wants to hold a tag day, we can all get together and raise the $44 million.

Mr. Laughren: Ugandan cigars.

Mr. Makarchuk: We invested $3 million in getting you there.

Mr. Acting Speaker: Order, please.

Mr. Hennessy: I favour the government stand in this.

Mr. Makarchuk: I have just a few notes to the minister and the party in power right now. The next time they bring down a measure that imposes a tax and then dissolve the House and the measure becomes ineffective, for God's sake, let them send out some instructions to the people out there who have to cope with that problem afterwards.

I was inundated after the election was called with various retailers and wholesalers in the community wondering just what the heck was going on and just exactly what they were supposed to do with the money that in some cases had been paid out and in other cases had not been paid out. There were other cases where the retailer demanded the money, the customer refused to pay the money and there was mass confusion. In the future, perhaps as a word of caution, when the government intends to call an election, for God's sake let it not bring in these silly taxes ahead of time. Let it wait until it gets its election through and bring them in as it is doing right now.

Mr. G. I. Miller: It gives me pleasure to rise and speak on this tax. I think a lot of people in this House don't realize that this is an agricultural product produced here and stimulating the economy of a great area of southern Ontario.

Mr. Roy: Represented by a very good member, if I may say so.

Mr. G. I. Miller: Thank you, sir. I am proud to represent the riding of Haldimand-Norfolk. Norfolk county does produce much tobacco. I think the neighbouring counties of our good Treasurer of Ontario also produce a good amount of tobacco. If it stimulates the economy in that area—and we were talking about assisting business in the last billl—we are discouraging this particular business by taxing it to the extent that it is being taxed.

Cigarette tax is going up something like 35.9 per cent. For cigars and other types of tobacco, the tax is being increased 100 per cent. I would like to point out the fact that the tobacco industry was operating last year at 46 per cent of its capacity. This year it has been fortunate enough to raise it to 50 per cent of its capacity. In order to stimulate the market, we shouldn't tax it out of existence I don't feel that land is needed for agricultural purposes at this particular point in time, because corn is at $2 a bushel. If they are not producing tobacco, they are going to be producing corn and taking the

market away from something else. We ought to take a realistic look at it. We should be encouraging production, rather than discouraging it. Somebody pointed out that you can afford a cigar. I can well recall when a White Owl cigar and a Marguerite were worth 10 cents; today they are worth 25 cents. Since the tax came on they are worth $1.75 for a package of five. The average person can't afford it. If you see anybody smoking a big cigar, he must have money.

I would like to point out a couple more facts too. The tobacco industry last year produced a $175 million crop at $1 per pound. The tobacco tax amounted to $152 million. This year the tax derived from tobacco will be $210 million. That is more than the revenue returned from the tobacco itself.

Mr. Lewis: You are against mercury, but not the effects of tobacco.

Mr. S. Smith: We are opposed to smoking mercury as well.

Mr. Acting Speaker: Order, please.

Mr. G. I. Miller: Smoking has been going on since time began.

Mr. Acting Speaker: Order, please. Will the hon. members extend the courtesy to the hon. member to complete his debate.

Mr. G. I. Miller: I think that smoking will probably go on for generations. As much as you would like to see it stop, it may never stop.

Mr. Cassidy: Do you think the schools should start teaching against tobacco?

Mr. Lewis: I smoke too.

Mr. G. I. Miller: I think there should be health protection and I think we are taking precautions by putting on filters and this type of thing. It is a protection for health. I think all these packages indicate that precautions should be taken.

But again, it does stimulate our economy; it does stimulate it. It provides a tremendous amount of employment for the areas where it is grown. There is a lot of hard work, there is a lot of investment. There is not only the tax that it generates into the economy—

Mr. Cassidy: This is unbelievable.

Mr. G. I. Miller: —the tobacco itself, the tax from the product is used, there is the sales tax and all the other taxes connected with the tobacco industry. I think it should deserve some recognition and I would expect the—

Mr. Eaton: Circulate the member for Ottawa Centre's statement about tobacco.

Mr. G. I. Miller: —Treasurer of Ontario to take these into consideration rather than tax it out of existence. They should perhaps be stimulating the export market by providing a portion of that tax to get the tobacco crop rolling at its fullest capacity.

I would also like to point out that during the election campaign there was much talk about the tobacco tax that was put on before the election was called and the money that was paid out and couldn't be refunded or retrieved. It caused a great stir and I think it was unfortunate that the Minister of Revenue couldn't have seen fit to return that money until the legislation was rightfully in place. I would hope maybe that consideration still could be given to that aspect. I'd like to say that I do support my leader's comments on the fact—

Mr. Cassidy: You don't even understand it.

Mr. G. I. Miller: —that we should tax according to the percentage, the AIB guidelines.

It gives me great pleasure to speak on behalf of the tobacco farmers who contribute so much to the—

Mr. Cassidy: It sure shortens our life expectancies.

Mr. G. I. Miller: —Ontario economy and I think we should take a realistic look at the tax that's being put on at this time.

Mr. Eaton: I'd just like to say a word on this tax and particularly on the principle put forth by the Leader of the Opposition in regard to the eight per cent control.

Mr. Roy: Are you for the tax?

Mr. Eaton: In fact, he referred to the eight per cent control on municipal taxes as well. And I well remember—

Mr. Reed: Are you opposed to the AIB?

Mr. Eaton: —I well remember a bill introduced in this House, a private member's bill introduced by myself, for an eight per cent control on municipal taxes and how the opposition over there scoffed. And you know—

Interjections.

Mr. Conway: But you told us you were going to be Minister of Agriculture too.

Mr. Eaton: —I introduced that to draw attention to the fact that rent controls were being put on at the time—

Mr. Roy: You made too many promises, Bob.

Mr. Eaton: —but the controls weren't on municipal taxes. I knew it couldn't go through. It was to draw attention to something.

Mr. Conway: You said you were going to be Minister of Agriculture too.

Mr. Eaton: But to see that party come forth with that kind of a policy is absolutely astounding.

Mr. S. Smith: Good.

Mr. Conway: I'm going to smoke the charter; I'm going to get high on the charter.

Mr. Cassidy: You're getting high, all right.

Mr. Acting Speaker: Order, please. The hon. member for Renfrew North will kindly refrain from interjecting.

An hon. member: And get in your own seat.

Mr. Eaton: You know, to see our municipalities facing, say, a winter where they've already spent their eight per cent—

Mr. Cassidy: Did he say he was filibustering or something?

Mr. Eaton: To see a situation where the municipalities had already spent their eight per cent control, the increase that the Liberal leader would so generously give them, and then find that they haven't any money left to spend and still have the roads to plough. Your member for Huron-Bruce said, "Oh, they'd exempt my county. They'd exempt mine"—even he doesn't agree with it.

Mr. Gaunt: We get a heavy snowfall.

Mr. Eaton: I just wanted to point out the ridiculousness, the complete ridiculousness—

Mr. Gaunt: We get a heavy snowfall up in Huron.

Mr. Acting Speaker: Order, please. The hon. member for Halton-Burlington has a point of order.

Mr. Reed: The member is beyond the terms of this bill.

Hon. Mr. McKeough: Oh, nonsense.

Mr. Acting Speaker: The hon. member for Middlesex will continue.

Mr. Roy: Are you for it or against it?

Mr. Eaton: I just would like to point out how ridiculous that kind of a fixed control is, whether it's on the tobacco tax or on the municipalities—particularly the municipalities. You know, they talk about local autonomy and then the Liberal leader says he would control them to eight per cent increases—

Mr. Reed: What have the municipalities to do with this bill?

Mr. Acting Speaker: Order, please. The hon. member will return to the principle of the bill.

Mr. Eaton: —whether it's on the tobacco tax or on many of the other things he would place the eight per cent control on--

Mr. S. Smith: Come to Hamilton and tell my voters that they should pay more than eight per cent on their property tax.

Mr. Eaton: —I think his proposal is completely and utterly ridiculous.

[10:00]

Mr. Laughren: I thought the member for Ottawa Centre explained very clearly why it is that we in this party are supporting the bill to increase the tobacco tax. But I think a couple of points need to be made. One, the position of the Liberal Party is simply unbelievable, given the position of their federal counterparts on the price of oil going up at the rate at which it is.

Mr. Reid: Too bad you haven't got a federal counterpart.

Mr. Laughren: I assume they are supporting the position of their federal Liberal brothers and sisters in Ottawa. Secondly, I assume as well they will divide the House on this bill, seeing they feel so strongly about it.

Thirdly, the point that has been made several times, it is surely irresponsible to talk about reducing a tax in the province of Ontario without explaining what services to the people of Ontario they are going to reduce to a corresponding amount of money.

Mr. Roy: We don't want to reduce it, we are just opposing it.

Mr. Laughren: I am waiting to hear the Liberal Party position on all the services to the people of Ontario they are going to reduce, services which the people of Ontario have indicated they want, because of their reduction in the kind of revenues we are talking about. It will be very interesting to hear because some day the day of reckoning will arrive and they are going to have to explain it.

Mr. S. Smith: You guys want more spending and more socialism.

Mr. Laughren: The leader of the Liberal Party has his head in the clouds right now but some day that is all going to end.

Mr. Cassidy: That's right.

Mr. Laughren: The day of reckoning will be here and he is going to have to answer for the irresponsible policies of his party. That day is coming and it is coming a lot faster than he seems to realize it is.

Mr. S. Smith: And some day you think you will be back in these seats.

Mr. Laughren: When we talk about the tobacco tax, which I am attempting to do if I can ignore the interjections, there is a very serious problem that we run into in

this party when we attempt to debate an issue as serious as this with the Conservatives or with the Liberals. That is the diversion they always bring in; that is fine and we agree with you in principle, but what about the jobs? Whether we are talking about northwestern Ontario development, whether we are talking about mercury in the river system, whether we are talking about the tobacco tax or whether we are talking about cans, there is always the issue that they bring in that the New Democrats are only concerned about what is right and not what is pragmatic.

Mr. Roy: No, excepting cans.

Mr. Laughren: I would say to you, Mr. Speaker, that in this party we have consistently maintained, if I can quote my leader, and I am sure he will correct me if I misquote him, that politics is the art of the possible.

Mr. S. Smith: What did Dennis McDermott say?

Mr. Laughren: We understand that very clearly. It is simply not fair to talk about a tobacco tax and the dangers of tobacco to health without recognizing the fact that the taxes we collect do not pay for the attendant diseases and problems that we face in society because of the smoking habit. I too am a former smoker and occasionally indulge even now.

To hear the Liberal members talk about the need to stimulate the tobacco industry for export purposes as well as to keep down the taxes here, presumably because of the need to stimulate the industry, is simply not to deal with it as a social problem. We understand very clearly what the problems are in the farm community in this province. We have attempted to deal with that in a very serious way with farm income stabilization, much more so than the Liberal Party has ever attempted to do.

Mr. Eaton: Didn't you get the message on stabilization?

Mr. Laughren: No, we didn't get your kind of message, I'll tell you that.

Mr. Eaton: Hill got the message in Middlesex about stabilization.

Mr. Acting Speaker: Order, please. Perhaps the hon. member for Middlesex will allow the hon. member for Nickel Belt to continue.

Mr. Cassidy: He is over-excited, Mr. Speaker.

Mr. Laughren: I will conclude my remarks, but stay on my feet because I anticipate a division of the House in view of the Liberal position on this bill.

Mr. S. Smith: You can divide the House very easily; just stand up.

Mr. Laughren: Why don't you? You are opposed to it, not us. Go ahead.,

Mr. Mackenzie: I have just two or three comments on this tax, which we support. I talked to some small merchants tonight in my own community. They have raised again with me questions they have raised since the fiasco or confusion or lack of clarity in the on-again, off-again tax and the way it was handled by the Tory government. Some of the small merchants who have already put their claim in and had it in for better than three or four weeks are wondering when they will get their money back where they had prepaid the tax on tobacco products. It would be interesting to know when they will get their money back.

The other point that was raised with me tonight is why are some of the wholesalers who were charging an additional 50 cents a carton in the brief period the tax was on are now asking for, as of today, 53 cents a carton for the cigarettes. I would like some answers to that. Are they entitled to ask for 53 cents or is the tax five cents a package? When will they get their money back that they prepaid in the last brief period the tax was on?

Mr. Roy: I just want to make a few comments about this piece of legislation and possibly rectify some of the inaccuracies coming from the people to my left.

Mr. Cassidy: Where's the $44 million coming from?

Mr. Roy: First of all, the $44 million that the member for Ottawa Centre keeps talking about. The minister admitted this afternoon that just by looking at the books and rearranging the figures he saved $133 million or something. Actually, if we got into those books imagine how many millions we could save. So that the question of $44 million is not going to be a problem.

Then we hear the pious comment from the frustrated ex-smoker. The member for Ottawa-Centre has become so aggressive. I don't know if it is because he quit smoking or because he got a good run from Brian Cameron in the last election or because he's no longer the opposition, but there's a frustration. He appears to be mad at the world.

Mr. Cassidy: How could I be happy?,

Mr. Roy: And he's saying at least some of this money should go for the treatment of people who suffer from tobacco-induced disease. Yet I see nothing earmarked in the

budget about channelling some of this $44 million for exactly that purpose. So that is bringing in one aspect of it which, in fact, does not exist. Now, if I may say something about the members to my left, because I find it extremely interesting when they talk about their policy. You know, the thing I found most interesting in the last election—

Mr. Laughren: What about the bill?

Mr. Roy: —was the approach taken by the NDP on certain of their policies, including this bill.

Interjections.

Mr. Acting Speaker: Perhaps the hon. member would return to the principle of this bill.

Mr. Roy: But I want to give you a little example just to make my point on this bill. The member for Ottawa Centre in talking about this bill says that most of the tax increases—and I point this out to the Treasurer —are going to be paid by individuals. That's some realization. He is the financial critic who dares to walk in here with a striped suit and he finally realizes that it's individuals who pay taxes in this province. Well, good for you, my good friend. Isn't that something? Imagine what kind of shape we'd be in if they ever got on the government benches, to finally realize that.

Mr. Cassidy: Don't talk about my suit until you take off that jacket.

Interjections.

Mr. Roy: You know, it's really something—

Mr. Acting Speaker: Perhaps the hon. member would return to the principle of this bill.

Mr. Roy: —but he still has my vote for leader. I still support him for leader.

Hon. Mr. McKeough: How about your money?

Mr. Roy: My money—

Mr. S. Smith: We will make a contribution, and to you. That's the ticket we want.

Interjections.

Mr. Roy: But if I may say something, Mr. Speaker, about the NDP, one of the members mentioned their so-called consistency approach on the question of jobs. He said it doesn't matter about jobs, we talk about principles. I just talk about their approach, their flip-flop, for instance, on one of the bills that is coming up, the taxation on cans.

Mr. McClellan: Did you say "flip-flop"?

Mr. Roy: Talk about a flip-flop there.

Mr. Laughren: No, none at all.

Mr. Roy: But you know, the most interesting thing—

Mr. Laughren: You have the patent on flip-flop.

Mr. Roy: —the most interesting thing, Mr. Speaker, if I may say, and I will be very brief, is that during this whole election—those guys are beautiful—I wish we could fight another election with the NDP because I thoroughly enjoyed it when the criticisms used to take place in relation to the corporate welfare bums. Remember that? That's important, Mr. Speaker.

Mr. Acting Speaker: Order, please. The Speaker doesn't really understand the relationship of your comments to the principle of the bill.

Mr. Makarchuk: Neither does he.

Mr. Roy: I'm getting to that, Mr. Speaker. The point I wanted to make is, as the member for Ottawa Centre said, that it's individuals that are going to be paying this tax. But, remember, they used to criticize the corporate welfare bums who were always getting the breaks.

Mr. Cassidy: We still do.

Mr. Roy: Yes, they still do.

Interjections.

Mr. Roy: Yet at the same time they are running after those corporate bums for political donations.

Interjections.

Mr. Acting Speaker: Order, please.

Mr. Roy: Sure, they're asking for political donations. And they are not going to nationalize anything any more; remember that during the election? Those fellows in that party have lost their virginity; that's what has happened. It's unreal.

Mr. Makarchuk: We're late starters.

Mr. Roy: I just want to say that the point this party is putting forward, and the reason we're over here and they're over there, is that we put forward policies which were consistent.

Mr. Cassidy: This is a commercial for Virginia Slims.

Mr. Acting Speaker: Order, please.

Mr. Roy: We supported wage and price controls. The NDP opposed it, and they bragged about that.

The point is simply this: If we are saying to the taxpayers of this province that you limit your income or your profits to eight per cent, then government should limit itself to eight per cent. That got through to the people. It didn't get through to them, but

it got through to the people. That's why we're here, and we're being consistent on this bill.

Mr. Laughren: We'll get through to you one of these days.

Mr. McGuigan: I thank you, Mr. Speaker, for this opportunity at this late hour to add my confession to the many confessions made tonight. Mine is that I do not smoke, nor do I at the moment grow tobacco, although I have grown it in the past.

Interjections.

Mr. McGuigan: There's just my word on that. Nor do I know the answer to the question of where the taxes would be substituted from. But during the course of the campaign—and I hope I don't have to go through that again for a day or two—I was very impressed by the industry, the neatness and the number of people from tobacco farms that I visited in Kent-Elgin riding. Certainly these people feel that the imposition of a 35 per cent increase in tax is a discriminatory item on their agricultural production; it's one that is not imposed upon other agricultural products.

I'd like to add my words to those of my colleague who spoke earlier, the member for Haldimand-Norfolk, in defence of the tobacco farmers who regard this as a pressure that will eventually work down to the price of tobacco and the amount of tobacco that is grown.

I'm not going to prolong this debate any further. I would hope that this would not be considered my maiden speech. I would like to do that at an appropriate time—

Mr. Cassidy: You haven't lost your virginity yet.

Mr. McGuigan: Quite a few years ago.

Mr. Roy: Don't worry; you have lost yours.

Mr. McGuigan: —and pay tribute at that time to my predecessor, Mr. Jack Spence.

Mr. Acting Speaker: Is there any further discussion on second reading of the bill?

Mr. Cassidy: Here's the tobacco lord himself.

Hon. Mr. McKeough: Mr. Speaker, may I say that I have enjoyed this debate today and the discussion on various parts of the budget, and undoubtedly I look forward to tomorrow. My colleague, the Minister of Revenue, the parliamentary assistant to the provincial secretary and I look forward to the discussion of these 14 bills.

I have tried to be as non-provocative—

Mr. Conway: That's the last premier's phrase.

Mr. Cassidy: But you are working yourself up.

[10:15]

Hon. Mr. McKeough: I really said, Mr. Speaker, all of us went through an experience for not just 37 days, I think it was 41 or 42. I suppose none of us ever completely recover from those days but sooner or later it's time to get those feelings off your chest. Some of my friends, particularly on my far right—your far left, your honour—got some things off their chest. I just want to say, Mr. Speaker—

Mr. Laughren: Louder.

Hon. Mr. McKeough: I just want to say as simply and as nicely and as unprovocatively, if there is such a word, as I can, that I have never heard anything more simplistic, silly, or fatuous than the speech of the Leader of the Opposition tonight trying to defend his position on an eight per cent increase in this tax. Never in my life.

Mr. Roy: You'd think he was going after you.

Hon. Mr. McKeough: You know, it was great stuff during the election, but to come in here tonight and sheepishly stand up the way he did and try and defend that position—and I'm told they really don't want to vote on this. We'll just have a voice vote, we won't stand up.

Mr. Cassidy: That's right. They are really—

Hon. Mr. McKeough: Does the Leader of the Opposition really believe what he said during the campaign or not? The question is, where does the money come from? Where does the money come from?

Interjections.

Hon. Mr. McKeough: A simple, silly proposition—

Interjections.

Mr. Acting Speaker: Order, please.

Hon. Mr. McKeough: —and he should be put on the spot tonight.

Mr. Acting Speaker: Order, please.

Mr. S. Smith: You got $50 million for an election, didn't you? Ten million dollars a man.

Mr. Acting Speaker: Order, please.

Hon. Mr. McKeough: I think there are a few things that better go on the record tonight.

Mr. S. Smith: You found $50 million.

Hon. Mr. McKeough: Because you can't sweet talk your way through this any more, my friend, not any more.

Mr. Acting Speaker: Order, please.

Mr. Gaunt: You can't talk sweet your way.

Hon. Mr. McKeough: You tried it and it didn't work. It didn't work.

Interjections.

Hon. Mr. McKeough: Our expenditures in this province are up by nine per cent. The economy is growing by 12 per cent. Our share is going down. Do you really want to take it up the eight? That's what you're advocating.

Mr. S. Smith: Include the municipalities. Include the municipalities.

Hon. Mr. McKeough: That's what you're advocating.

Mr. Acting Speaker: Order.

Hon. Mr. McKeough: And we're giving the municipalities, I say to my friends, we're giving to the municipalities 12½ per cent more.

Mr. S. Smith: Include what they are taking out of the taxpayer's pocket.

Hon. Mr. McKeough: Do you think we should limit that to eight per cent? Is that what you're advocating?

Mr. S. Smith: I'm advocating they not take more than eight per cent out of the taxpayer's pocket.

Mr. Acting Speaker: Order.

Hon. Mr. McKeough: Are you advocating that we reduce your transfer to—

Mr. S. Smith: No.

Hon. Mr. McKeough: No. That's it. That's it. Well, then where does the money come from?

Mr. S. Smith: Don't take any more from the taxpayer's pocket.

An hon. member: Show them your guts, Stuart.

Mr. Acting Speaker: Order, please.

Interjections.

Mr. Acting Speaker: Order, please. Order. Order, please. Perhaps we can continue with a more orderly debate.

Mr. Roy: Darcy, tell us about the deficit for the last five years.

Mr. Acting Speaker: Order, please. The hon. minister will continue.

An hon. member: Give or take a billion, Darcy.

Hon. Mr. McKeough: Mr. Speaker, I'm glad we've got that on the record. It is now clearly understood that we're going to limit municipal tax increases to eight per cent.

Mr. Ruston: Off your chest.

Hon. Mr. McKeough: That's what you said.

Mr. S. Smith: That's right.

Hon. Mr. McKeough: But we, in the province will still pay 12½ and take 12½ per cent out of the provincial taxpayers some way or another. You made a hero of yourself with municipal taxpayers. Where do you think the money's coming from?

Mr. Makarchuk: That's the new Social Credit Party.

Mr. Acting Speaker: Order, please. Perhaps we—Order, please. Order, please. Order.

Interjections.

Mr. Acting Speaker: Order, please. Perhaps we could return to the principle of this particular bill, Bill 10.

Mr. Cassidy: He is squarely on it, Mr. Speaker.

Mr. S. Smith: On a point of order, Mr. Speaker.

An hon. member: Show him your guts, Stuart.

Mr. Acting Speaker: Will the hon. member state his point of order?

Mr. S. Smith: On a point of order, Mr. Speaker, it seems to me that the Treasurer has deviated—

Mr. Cassidy: Force the vote.

Mr. S. Smith: —from the matter under discussion by referring to my policy on municipal tax increases.

Mr. Eaton: You referred to it yourself.

Mr. S. Smith: The policy is that what we have to do is limit the tax increases to the eight per cent guideline. Naturally what additional money is required would come from the province—

Mr. Acting Speaker: Order, please.

Mr. S. Smith: —because of the way in which the municipalities are limited to property taxes—

Interjections.

Mr. S. Smith: —while the province has kept to itself all other forms of taxation. And you know that.

Mr. Acting Speaker: Order, please. Order, please.

Interjections.

Mr. Acting Speaker: Order, please. The Chair has already asked the minister to return to the principle of the bill.

Hon. Mr. McKeough: Mr. Speaker, I do so with pleasure.

Mr. Deans: Shove it back at him. Don't let him get away with that.

Hon. Mr. McKeough: I do so with pleasure, Mr. Speaker. I don't enjoy bringing this

bill before the House. I recognize the words of my friend from Haldimand-Norfolk; and if my friend from Brant were here tonight, as he was last night much to my regret, he would have spoken on behalf of the tobacco growers of this province. I don't like raising taxes in this fashion but the money has to come from somewhere.

Mr. S. Smith: You do have some tobacco farmers in Chatham-Kent, don't you?

Hon. Mr. McKeough: The fact is that we're reducing taxes by $200 million and raising taxes less than that amount.

Mr. S. Smith: Humbug.

Mr. Roy: You don't like deficits either, eh?

Hon. Mr. McKeough: We're taking less from the economy this year than we took last year. I ask my friends opposite to look at the budget. There are the figures. We're taking less from the economy this year.

Mr. S. Smith: Humbug.

Hon. Mr. McKeough: We're taking less—

Mr. Reed: Living off the avails of sin.

Mr. S. Smith: Yes, $50 million for an election; $130 million overnight.

Hon. Mr. McKeough: We're taking less and your friends in Ottawa are taking more. Your friends in Ottawa have been taking more year by year; and we and the municipalities are taking less.

Do you have something to say? Go ahead. Defend yourself. You can't defend yourself.

Interjections.

Mr. Roy: Tell us about your deficit, Darcy.

Mr. S. Smith: I am not attacking Ottawa. I am attacking you.

Mr. Acting Speaker: Order, please. The motion is for second reading of Bill 10.

Hon. Mr. McKeough: Mr. Speaker, the Leader of the Opposition, of course, said that he was opposed to this bill; and I think a discussion of alternatives is in order.

We've reduced personal income taxes in this budget—we've approved that bill, all but third reading—by some $32 million. We're reducing the tax—my colleague will, when we approve that bill, as I'm sure we will—by something like $25 million in retail sales tax.

I don't like raising taxes but if it has to come from some place the tobacco tax isn't a bad place to get it. I suppose there is an alternative, if you listen to the silly, simple nonsense which the Leader of the Opposition would have us believe. He would say do the simple thing, raise taxes eight per cent. Let's put that on the record, let's just put that on the record. If you're going to raise the gasoline tax—here's one, we haven't touched the gasoline tax since 1972.

Mr. S. Smith: That has a lot to do with the tobacco tax.

Hon. Mr. McKeough: Since 1972.

Mr. S. Smith: Read out the property tax.

Hon. Mr. McKeough: Well eight per cent on the gasoline tax—it doesn't matter whether they're high or low, you'd just raise everything by eight per cent, that's your simple position.

Mr. Cassidy: That is their policy, that's right.

Mr. S. Smith: Read the Hydro rates for basic light and power; read the OHIP premiums.

Hon. Mr. McKeough: That would raise the gasoline tax to 20.5 cents. He'd raise the personal income tax from 44 points to 47.5 points. He'd raise the corporation income tax from 12 to 13; and I suppose you'd raise the retail sales tax by eight per cent which would take it to 7.5.

Mr. Roy: He is out of order.

Mr. S. Smith: You can suppose what you like, but when we are in your benches you will find out what we do; after the next election.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: That's the sort of simple, tortuous approach which the Leader of the Opposition took during the campaign. You may have kidded some of the people but you don't kid us.

Mr. Roy: We would cut your salary, Darcy.

Hon. Mr. McKeough: I think I agree for once tonight with my friends over there; for once.

Mr. Deans: No, no; don't you dare.

Mr. Cassidy: You are reconsidering your position.

Interjections.

Hon. Mr. McKeough: I say this simply to the Leader of the Opposition. You know how he started off this session, he wanted a leaders' council so we'd all govern together. Well you'd better start talking sense.

Mr. Deans: For God's sake, move the hands of the clock.

Hon. Mr. McKeough: When you talk sense the people of the province may listen to you, and you're not talking sense on this piece of legislation tonight.

Mr. S. Smith: The council would be on national unity.

The House divided on the motion for second reading of Bill 10, which was approved on the following vote:

Ayes	Nays
Baetz	Campbell
Breaugh	Conway
Brunelle	Eakins
Bryden	Edighoffer
Cassidy	Gaunt
Charlton	Hall
Cooke	Kerrio
Davison (Hamilton Centre)	McGuigan
Deans	McKessock
Drea	Miller (Haldimand-Norfolk)
Dukszta	Newman (Windsor-Walkerville)
Eaton	Reed (Halton-Burlington)
Elgie	Reid (Rainy River)
Foulds	Riddell
Germa	Ruston
Gigantes	Smith (Hamilton West)
Grande	Van Horne
Gregory	Worton—18.
Grossman	
Havrot	
Hennessy	
Hodgson	
Johnson	
Jones	
Kennedy	
Kerr	
Laughren	
MacBeth	
Mackenzie	
Maeck	
Makarchuk	
McCaffrey	
McCague	
McClellan	
McKeough	
McNeil	
Miller (Muskoka)	
Newman (Durham York)	
Norton	
Pope	
Rhodes	
Rotenberg	
Scrivener	
Snow	
Sterling	
Swart	
Taylor (Prince Edward-Lennox)	
Taylor (Simcoe Centre)	
Turner	
Villeneuve	
Walker	
Wells	
Wildman	
Wiseman—54.	

Ayes 54; nays 18.

Motion agreed to.

Ordered for third reading.

On motion by Hon. Mr. McKeough, the House adjourned at 10:50 p.m.

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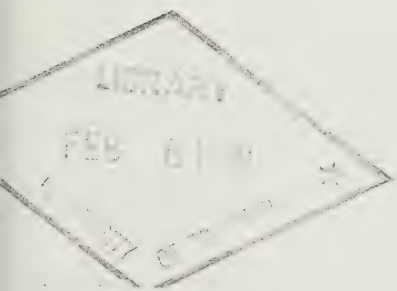
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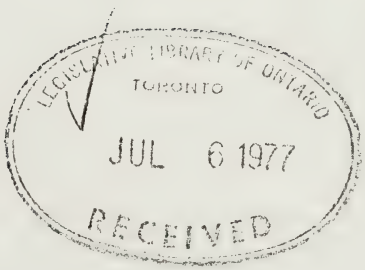
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First Session, 31st Parliament
Thursday, June 30, 1977

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, JUNE 30, 1977

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

MUNICIPAL FINANCIAL REPORTS

Hon. Mr. McKeough: Mr. Speaker, I am tabling with the Clerk today, the Ontario Municipal Employees Retirement Board's 15th Annual Report, 1976.

In accordance with the new rules of the Legislature I am obliged to make a statement when statutory reports are unable to be made within six months of the end of the reporting period. I have a number of reports upon which to comment.

First, the Public Officers Report: This is one report that seems to have eluded most of us. As I understand it, this report has never been made to the Legislature since the Act was brought into force by the Consolidated Statutes of Canada, circa 1859. It is my intention to see if we can relieve the statute books of the Act either in whole or in part.

Secondly, under The Municipal Act there is a requirement for two annual returns; one from the municipal clerk, the other from the municipal treasurer.

As the clerk's report would duplicate the figures found in the treasurer's report, I also intend to see if we can't expunge this requirement from the legislation. In many ways the Municipal Directory, which all members receive, provides a more useful collection of information than suggested by this old report.

However, the treasurer's report required by section 223 of The Municipal Act is still a useful document, and we are taking steps, with the aid of municipal treasurers and the Institute of Chartered Accountants of Ontario, to improve the municipal financial reporting to the public. Among the topics receiving special attention are: Attempts to make municipal financial statements more meaningful and more interesting; and ensuring that municipalities are not required to commit an excessive amount of resources to supplying financial data to the province and to the federal government.

An important avenue for municipal reporting to the public is through this Legislature. In past years, reporting by this means has been confined to tabling of a bulky compendium of municipal financial statistics. This year, my ministry plans instead to produce a study of the significant trends in local government finance. This will allow members and the general public to be aware of the relevant factors behind the statistics hitherto tabled without explanation. The detailed statistics will be publicly available on request.

Another aspect of municipal financial reporting which needs improvement is the speed with which reports are prepared. In previous years, filing of municipal financial reports with the Ministry of Treasury has been such that tabling of a summary of these reports in the Legislature has not been possible until about 18 months after the end of the period to which they refer. The study of municipalities' financial results for 1975 is currently being finalized and should be tabled in the House at the beginning of the next session. I regret that this is somewhat later than in previous years, due to later filing of reports by municipalities and to my ministry's follow-up program to upgrade reporting quality.

I anticipate a significant improvement in timing for future years. The study of 1976 financial performance of municipalities should be available no later than the end of this year.

EDWARD ZIEMBA

Mr. Lewis: Mr. Speaker, on a point of order.

Mr. Speaker: Point of order?

Mr. Lewis: Yes, if I may, Mr. Speaker—I'm sorry, I would have liked to do this at the outset. Just as you announced on the opening day of the Legislature, Mr. Speaker, that the member for High Park-Swansea (Mr. Ziemba) had been committed to jail, so I wish to inform you, sir, as you know, that he has been released from jail and will shortly be taking his seat this morning in the Legislature.

COMMISSION REPORTS

Hon. Mr. Snow: Mr. Speaker, in accordance with the new rules, statutory reports are required to be tabled within six months of the close of the reporting period. Accordingly, today I am depositing with the Clerk copies of the 1976 annual report of the Ontario Northland Transportation Commission for the year ending December 31, 1976, and also copies are being delivered to each member through the legislative post office and to the press gallery.

In addition, Mr. Speaker, I would like to advise the Legislature that the report of the Ontario Telephone Services Commission, also due, will be delayed for approximately one month. The reason for the delay is that the statistical information contained in the report comes from the official annual reports of the independent telephone companies in the province. We did not receive the last of these independent telephone company reports until some time in the month of June, accordingly we were unable to have the final report ready for tabling today. It may be ready before the close of this session, if not I'll table it on the opening of the next session.

CHILDREN'S SERVICES

Hon. Mr. Norton: Mr. Speaker, as indicated on Monday of this week I would like now to report to the House on the activities of the children's services division over the past three months and also on its plans for the future.

As indicated on April 4 by the Provincial Secretary for Social Development (Mrs. Birch) and I, the intention in establishing the new division of my ministry was to provide more integrated services for children with special needs in this province. This is to be accomplished through two major processes: The integration of services at the provincial level and the co-ordination at the local level.

The first of these processes was officially begun on Monday when I introduced a bill to permit transfer of some services to the Ministry of Community and Social Services. The services which can be transferred at this time are those which are sufficiently discrete that funding and responsibility can be shifted now without disturbing program integrity. These programs are identified in the appendix to my remarks, which will be circulated to all members of the Legislature.

At this time I would like to table information on the contents of an order in council which has been passed to create a new vote in the children's services division to effect the transfer by July 1. Vote 2084, for children's services, will contain the following items: Program administration, $2,215,900; child welfare and health services, $194,052,300; and detention and correctional services, $32,271,100. In addition are administrative programs within vote 2081 of the Ministry of Community and Social Services for $1,111,300. The estimated total expenditure of $234,650,600 comes almost entirely as transfers from existing programs in the ministries affected.

In addition to establishing a new vote, the order in council provides for the transfer of responsibility to the Minister of Community and Social Services of The Children's Mental Health Centres Act, The Children's Mental Hospitals Act, The Training Schools Act and the relevant sections of The Provincial Courts Act.

As I previously indicated there remain, however, programs such as those for the mentally retarded and child and adolescent units which are part of large hospitals, which cannot so easily be transferred without risking serious discontinuity in the provision of care. Here, the manner of transfer is critical.

We are currently exploring the device of contractual relationship with some of these programs, hoping that this arrangement will permit sufficient influence to be exercised by the division as funder, while allowing the programs to retain operating responsibility, and with it their identity as hospitals. This is in line with our intention to integrate, not homogenize.

We expect that by mid-fall we will have concluded these explorations and will have secured the funding, and with it effective control of the remaining programs in the originally identified list.

In addition, there remains a group of services for which there appears to be equally persuasive arguments for and against transfer and which must therefore await further detailed consideration. These include crippled children's centres and programs, some children's psychiatric units in general and special hospitals, and homes for special care. There may be additional programs as well not yet identified by us.

Although preoccupied with planning for the transfer and subsequent administration of a large, non-uniform assortment of programs, division staff have spent considerable effort in consulting throughout the province. My associate deputy minister, Judge Thomson, has met with community and service groups and local municipal officials in all parts of Ontario, and in so doing has been

able, I believe, to take the provincial pulse on the issues related to reorganization of children's services.

He has been advised everywhere to proceed, but with caution. He has confirmed our suspicion that there is much regional variance in existing services, in needs and in problems, and concluded that uniform approaches or solutions will not do. Although there appears to be a consensus that we are on the right track, there is much anxiety lest the baby be thrown out with the bath water. Many have also expressed the concern that scarce funds not be expended on structural change to the exclusion of services.

It must be said at this point that mere transfer is not integration, and far short of rationalization. Planning and effective management are not possible without reliable information and the capacity to evaluate and monitor service. Therefore, one of the preconditions of progress towards our objectives is a sound information system. Work in this area is well under way.

We are collecting and evaluating existing standards of child care and service across all the division's programs and will develop and establish a system of province-wide standards. Such a step is necessary to permit equitable distribution of services, evaluation and costing.

We will take steps to ensure equitable distribution of resources throughout the province and a more balanced spectrum of service in each community as soon as the inventory of existing services now under way is complete.

We recognize that the most effective service delivery system for children is one which is run or co-ordinated locally. The second major process, to which I earlier alluded, is that which will result in the maximum responsibility and control resting in the hands of local committees, which are knowledgeable and sensitive to the needs of children and families in their areas. This is perhaps the most challenging aspect of the implementation.

[10:15]

It is clear to me, with the benefit of the three-month review we have undertaken, that the decentralization process must be launched cautiously, albeit optimistically. Such a project has been undertaken in other jurisdictions on both sides of the Atlantic but not to this date with resounding success. We must, therefore, be prepared to make mistakes and to learn from them quickly. We propose, therefore, following a period of active public consultation on the subject of the functions and composition of local children's committees, to initiate the first phase of decentralization by establishing several such bodies in different areas of the province.

Mr. Sargent: Time; 15 minutes on a statement.

Hon. W. Newman: It's so rare you are here, you should listen.

Hon. Mr. Davis: Are you in a hurry to get home?

Hon. Mr. Norton: These will act as an advance scouting party in unfamiliar territory. Meanwhile, rationalization of service delivery with an increasing regional emphasis will proceed throughout the province. This will involve upgrading of service in some areas, the introduction of a placement booking system which will offer up-to-date assistance in identifying the vacancies to improve access to service and the publication of a comprehensive service directory.

We have directed our attention to the need for legislative change in order to improve safeguards against inappropriate exercise of authority and to increase accountability throughout the system. Although ultimately we intend to propose an omnibus bill, we will not use gradual implementation as an excuse to avoid needed legislative change in the short run.

This approach will inevitably leave unsatisfied those who had hoped for immediate implementation of all phases. I believe, however, that we have already accomplished the first stage and we must genuinely consider the issues with communities and services throughout Ontario before further implementation. I am convinced that if we do not, there could be much unnecessary antagonism and conflict. If so, it would be the children who would suffer. This project is a bit like overhauling a ship while at sea with a full complement of passengers.

I expect that early in 1978, we will be able to extract from our consultation, several models or approaches to local service co-ordination which combine the necessary ingredients of effective regional planning and priority setting, accountability for service, equity and responsiveness to client needs, and sufficient overall control to do away with the excessive autonomy of programs which has been a significant ingredient in the problems we are all familiar with.

Beginning April 1, 1978, we intend to establish the first such committees, perhaps one in the north and others in differing areas in the south—

Mr. Foulds: Why perhaps?

Hon. Mr. Norton: —and to support and monitor their progress closely. Once set up, these committees will become part of the service system in their areas by directing their attention to the difficult-to-serve-and-place children on whose behalf they will be able to intervene and fund special programs. At this stage, the committees will function in an advisory capacity but it is expected by the second year of their operation they will begin reviewing all budgets for children's services in their areas and increasingly take on overall planning and priority-setting functions.

By the time these original committees are ready to assume full responsibility for service delivery in their areas, we will have learned enough to have begun the process of establishing such committees throughout the province. It is implicit in the plan which I have outlined that we are taking a somewhat open-ended, developmental approach and intend to engage in ongoing discussion with the committees and the areas they serve as we converge on a local service system plan. I intend to report at regular intervals to this House and will be grateful for the critical and constructive attention which all members may give to this challenging undertaking.

VISITOR

Mr. Speaker: Just before we call the next order of business, I'd like to introduce to the House a distinguished visitor this morning. The Hon. Jean-Maurice Simard, Chairman of Treasury Board of the province of New Brunswick, is with us and is seated in the Speaker's gallery. He's here as a guest of the Chairman of Management Board (Mr. Auld).

ORAL QUESTIONS

OMB HEARINGS

Mr. S. Smith: I have a question of the Attorney General. In view of the continuing crisis with regard to unemployment, particularly in the construction industry and especially in Toronto, can the minister explain why he has not intervened in the decision of the Ontario Municipal Board to adjourn its hearings at least for the whole month of July, and could he explain to us why he has not moved to expedite these hearings and to get Toronto's construction workers working as quickly as possible?

Hon. Mr. McMurtry: Mr. Speaker, first, I have no power to intervene; second, I've encouraged the Ontario Municipal Board to proceed as diligently as they can, and that's really the extent of my mandate in that regard.

Mr. S. Smith: By way of supplementary, given the unemployment rate running around 24 per cent among Toronto's construction workers, and the OMB hearings holding up about 5,000 jobs, and keeping in mind the recommendations of the rather expensive Comay report which said that the OMB powers ought to be diminished, why would the Attorney General not act to intervene in some way to either approve the plan and allow the jobs to proceed immediately; or take some other action to firmly get it entrenched in the mind of the OMB that they're not to stand in the way of necessary construction jobs in the way that they're presently doing, dilly-dallying at this rather leisurely pace?

Hon. Mr. McMurtry: I've nothing to add, Mr. Speaker, to what I've said before.

Mr. Speaker: The member for Scarborough West has a supplementary.

Mr. Lewis: Is the Attorney General willing to write a letter directly to the chairman of the OMB to express his displeasure, and that of the government, with the unseemly and unnecessary delay in this matter? Perhaps that might provoke him.

Hon. Mr. McMurtry: Mr. Speaker, as I think this was indicated in the Legislature earlier in the spring, both the Treasurer (Mr. McKeough) and I have communicated with the chairman of the Ontario Municipal Board expressing our wishes that the matter be proceeded with as expeditiously as possible. We've made our position very clear to him and I think any other so-called interference, as suggested by the Leader of the Opposition, would be improper.

Mr. Mancini: It is help, it is not interfering.

ARAB BOYCOTT

Mr. S. Smith: I have a question of the Premier, Mr. Speaker. The Premier is undoubtedly aware of the report of the commission on economic coercion and discrimination regarding the Arab boycott. He has spoken earlier on this matter. Could the Premier tell this House whether he intends to bring forward legislation, not by a private member but as a government, to take the tough measures he promised would be taken in the event that the federal measures are insufficient to deal with the anti-Israel boycott?

Hon. Mr. Davis: Mr. Speaker, I don't think I described my measures in any way, whether

tough or not. We are assessing this very carefully. We have obtained legislation that exists in certain states of the union. I made a statement then, and I have not been reluctant to repeat it since, that while we, as a government, will take no part in terms of differences of opinion between two countries or groups of countries, when it comes to the secondary and tertiary effects of policies that relate to those other jurisdictions that have impact upon citizens of this province, then of course we have that concern.

We are pursuing it. It is a complex matter. It is one, obviously, that would be better dealt with and more properly dealt with by the government of Canada. I said that at the time and I repeat it now because I believe that to be fundamentally correct. However, Mr. Speaker, the matter is under consideration by the government.

Mr. S. Smith: By way of a supplementary, since the Premier was widely quoted as saying that Ontario is prepared to take measures on its own if the federal government does not move swiftly and strongly in this matter, and since the Premier mentioned at that time, that under the Ontario Human Rights Code it might be possible to take action against companies that comply with the boycott, and given the fact that state action in the United States frequently was responsible for eventual federal action; why is he now backing off on what was a commitment to the people of this province to come forward with as much provincial legislation as possible to supplement what seems to be inadequate on the federal scene?

Hon. Mr. Davis: Mr. Speaker, unlike the Leader of the Opposition, I like to think things through properly first before we have specific action. If he would learn that he would better serve his own party.

Mr. Nixon: You made your announcement in Israel. It is called grandstanding on an international issue. You will do anything for a handful of votes.

Mr. S. Smith: I have a supplementary of the Premier, Mr. Speaker.

Mr. Speaker: One final supplementary .

Mr. S. Smith: Why doesn't the Premier think things through before he makes his announcements in Israel and in Ontario? Why doesn't he think them through first and make his announcements later?

Hon. Mr. Davis: I can assure the hon. Leader of the Opposition, when I restated my views here in the city of Toronto on a particular evening—

Mr. Sargent: You couldn't get hold of the think-tank, that's why.

Hon. Mr. Davis: —they were very well thought through. I would also say to the Leader of the Opposition that any legislative action, which he perhaps doesn't totally understand yet—that's kind of obvious in the last couple of days—that we think those things through very carefully before we present them to the House. I guess he wouldn't realize that.

Mr. S. Smith: You said it; insults are no substitute for action.

Mr. Nixon: You make a great statement in Israel and come home and do nothing.

CHILD ADOPTION

Mr. Lewis: A question of the Minister of Community and Social Services, unrelated to his statement for the moment: Has the minister a comment to make publicly about the number of stories that appeared in the last 24 or 48 hours dealing with an alleged black market in the area of adoption, and the apparent corroboration from individuals well placed in the field—if not corroboration the expression of anxiety that such a black market might well exist, by people who are also well placed?

(Applause.)

An hon. member: Here's the member for High Park-Swansea (Mr. Ziemba).

Mr. Foulds: You know, we would have applauded if it was a Tory.

Hon. Mr. Norton: Thank you, Mr. Speaker. I thought it was rather unusual that I might elicit applause before I had had an opportunity to respond.

The issue that is raised by the hon. member is obviously something that concerns us very deeply. In the last couple of days since it first came to my attention through the newspaper stories, I have had an opportunity to consult with my staff.

I admit there has been suspicion of the existence of such activities, but it is very difficult to take action for the simple reason that very often, as was indicated in the story in the newspaper, the persons who had apparently received first-hand information, and alleged that they had been approached, as you describe it by a well-placed person, with an offer to market children in this manner, frequently are reluctant to come forward with the specific information so that we can take action.

There is no question that it is an offence, and if persons such as the individual quoted in the newspaper story would please bring that information to our attention and be prepared to follow up in such a way that we

could prosecute or further investigate, we would be very happy to do it and we would be pleased to refer that information to the proper authorities for prosecution. All that I think I can say at this point is that we will continue to do whatever we can by way of watching and monitoring that situation to see if there is any further indication of such activity.

I would plead with anyone in the public or in this Legislature who may have any specific information which might lead us to taking successful action against any persons engaged in that kind of activity, then I would welcome that kind of co-operation.

Mr. Makarchuk: Will you guarantee they will stay out of jail?

Mr. Lewis: Just by way of supplementary: Is the minister prepared, within some branch or arm of his ministry, to initiate an investigation, since these rumours are intermittent and the suspicions as he describes them are regular? Is there a way of our attempting to track it down, since it is surely one of the most offensive acts which can be engaged in? Is he prepared to do that?

Hon. Mr. Norton: I am prepared and in fact intend to discuss the situation with the Attorney General and the Solicitor General (Mr. MacBeth). At this point we do not have an investigative capacity, in that sense, within our ministry, but we intend to explore ways in which we and those ministries who do, might co-operate in order to further pursue this matter. I have also asked my staff to review the legislative authority that exists to see if there is any way our position might be strengthened through legislative change. However, regardless of the legislative change, unless we can bring forward evidence, or have persons with a personal knowledge of the situation come forward with evidence, it makes it very difficult for us to successfully pursue the matter. But I will explore the possibility of further investigation with the other ministers.

[10:30]

MACKENZIE VALLEY PIPELINE

Mr. Lewis: A question for the Minister of Energy: Could he explain or did he forget that his ministry made a submission to the Berger inquiry in which the proposition of the building of the Mackenzie Valley pipeline was supported; that Arctic Gas has a publication, which his ministry has never denied or repudiated, listing the province of Ontario as the only government in Canada explicitly in support of the Mackenzie Valley pipeline? And in the document, Ontario's Energy Future, which the minister tabled in April 1977, conclusion 18 read, "Construction of transportation facilities that will connect the gas resources of the Mackenzie Delta to the industrial markets of southern Canada." Can he explain how all of that does not add up to a policy commitment in favour of the Mackenzie Valley pipeline, and is he prepared now to re-evaluate that commitment?

Mr. Sargent: That's not a fair question. He wouldn't know that.

Mr. S. Smith: He has no information.

Hon. J. A. Taylor: I am very happy that the member has done some further research. First of all, as I said yesterday, our concern in the report which he referred to—

Mr. Breaugh: You have a hard time with yesterday's answers, don't you?

Hon. J. A. Taylor: —was to ensure that some transportation system be put in place to provide for gas delivery to Ontario—

Mr. Lewis: From the Mackenzie Delta.

Hon. J. A. Taylor: From that area, the frontier area—

Mr. Lewis: The Mackenzie Valley is what we are talking about.

Hon. J. A. Taylor: All right, the Mackenzie Delta. That's true, we also have the eastern Arctic that we are concerned about.

Mr. Lewis: No, but from the Mackenzie Valley—

Hon. J. A. Taylor: All right, let's talk about the Mackenzie Valley then. The member may not realize that when we talk about gas, Ontario uses—

Mr. Reid: A lot of it.

An hon. member: Also hot air.

Hon. J. A. Taylor: —the member is talking about natural gas. Ontario uses about one-half of the total Canadian consumption—

Mr. Sargent: When does your book come out?

Hon. J. A. Taylor: —of natural gas, and about 50 or 60 per cent of that natural gas consumed in Ontario is to keep our industry operating. The member may not be concerned about jobs—

Mr. Martel: That isn't the question at all.

Hon. J. A. Taylor: —but that's what that gas is for. We think it's important to ensure that there is a continuous supply of natural gas to Ontario—obviously the member doesn't agree with that.

Mr. Wildman: Do you have a policy?

Mr. Speaker: Order, please, the hon. minister has the floor.

Hon. J. A. Taylor: What was pointed out in that report was the need for a transportation system. A number of routes have been proposed—

Mr. Lewis: You say the Mackenzie Delta.

Hon. J. A. Taylor: We mentioned the Mackenzie Delta, which is a geographical area. I don't know whether the member for Scarborough West has been there or not, but it's a part of Canadian geography. It's not a gas pipeline.

Mr. Sargent: How did you get there?

Mr. Cassidy: Oh, my goodness.

Hon. J. A. Taylor: There have been a number of proposals that were put forward in terms of the transportation system.

Mr. Cassidy: You are preposterous.

Hon. J. A. Taylor: As a matter of fact, there were hearings in that regard, conducted before the National Energy Board. As the member may or may not know, its decision will be coming down on July 4. That deals with the mechanics. The Berger report concentrated on the environmental and social matters, which he may or may not appreciate.

Mr. Lewis: Oh no, I hadn't realized that.

Hon. J. A. Taylor: I'm telling the member now that that's what it did. I thought he may be deficient in some respects in regard to the information.

Mr. Lewis: Thank you very much.

Mr. Swart: Do you think you should intervene, Bill?

Hon. J. A. Taylor: What Ontario did, as I mentioned yesterday, was to make representations to the Berger commission when it visited this community. After the northern hearings, Mr. Justice Berger got permission to travel Canada to hold hearings.

Mr. Lewis: No, I didn't know that.

Hon. J. A. Taylor: Well, I'm telling the member, in case he didn't know. I wouldn't confess my ignorance the way he is doing this morning.

Mr. Lewis: I have to; when faced by you, I have to confess my ignorance.

Mr. Speaker: Order, please.

Mr. Sargent: Saved by the bell.

Mr. Speaker: Order, please. First of all it was almost impossible to hear the question, which I didn't get clearly, but also the answer, with all the interjections. Is there further answer to this, and could we have fewer interjections? Order, please. Was that the finish of that answer?

Hon. J. A. Taylor: Just to reiterate—

Mr. Breithaupt: Gong him.

Hon. J. A. Taylor: Mr. Speaker, the question was asked about Ontario backing a particular pipeline. I wish to repeat what I said yesterday, that Ontario has not backed a particular pipeline—neither a syndicate, a consortium, a company, nor a route. What we are concerned about is the securing of a supply of gas to the people of this province and to the industry of this province. And that should be clear from that report.

Mr. Lewis: I have a supplementary which, like the original question, the minister could have answered much more quickly.

Does he not recognize that his constant harping on the Mackenzie Valley natural gas is precisely the kind of incentive which the federal government wants, to put that pipeline through, providing natural gas to our industries and consumers in Ontario far more expensively than tapping the known reserves that are now available in Alberta, which would lower costs, create more jobs and be much more useful to Ontario. Why doesn't he take that stand?

Mr. Breaugh: Don't write his speeches for him, Bette. His are much better.

Hon. J. A. Taylor: The Leader of the Opposition and the leader of the third party have been speaking about the Mackenzie Valley pipeline. Don't accuse me or my ministry or this government of harping about the Mackenzie Valley pipeline—

Mr. Lewis: That's right.

Hon. J. A. Taylor: —because it's those members who have been making an issue of it and claiming that higher prices are being advocated in order to finance that pipeline.

Mr. Martel: You're in the wrong business. You should be a comedian.

Hon. J. A. Taylor: It's they and their parties who have been doing that and it is absolutely false.

Mr. Lewis: That is why prices are going up.

Hon. J. A. Taylor: Maybe they should get the facts and inform the public properly.

Mr. Speaker: Order, please. This will be the final supplementary on this, because we've spent quite a bit of time on it.

Mr. Reed: Thank you, Mr. Speaker. Could the minister tell us why he will not simply declare his ministry's policy on this issue? He's been skirting the issue for two days. His predecessor supported construction of the pipeline. He is now changing around to talk about a transportation system.

Mr. Speaker: Order, please. I think the question has been asked.

Mr. Reed: Why doesn't he declare himself?

Hon. J. A. Taylor: Very, very simply, Mr. Speaker, and the member should know this—there are two hearings. One was the Berger hearing, which dealt with the environmental and social matters. The second is the hearings before the National Energy Board in connection with the technology and the physical construction and routing of a pipeline. Until those hearings were completed and the reports out, I don't think this government or anyone was in a position to assess and determine what is the appropriate pipeline. In other words, get the facts first.

Mr. Peterson: Are you saying you have no position?

HYDRO CONTRACTS

Mr. Nixon: I'd like to put a question to the Premier. Can he make a statement to the House giving us information about the special inquiry that he must have ordered personally into certain contractual arrangements made by Ontario Hydro on two of their construction sites, including the Bruce Peninsula and, I believe, Madawaska? The information that is available to us was reported in the Toronto press the first week of June.

Hon. Mr. Davis: Mr. Speaker, I cannot. There is an order related to the matter before the courts to which this question refers, which order prohibits any discussion or publication of material and I intend to abide by that order.

Mr. Nixon: Supplementary: Knowing that we do not want in any way to infringe on the prerogative of the courts, will the Premier indicate whether or not an order in council was established giving some responsibility to former judge Campbell Grant to investigate these matters and was the matter supposed to be secret; and if not, why was the Premier so outraged when it was brought to public notice by the Globe and Mail?

Hon. Mr. Davis: Mr. Speaker, I really can't recall in the 47 years that I have known myself as well as I do—and some days I'm not sure how well—that I have been outraged. My recollection was that I did take exception—

Mr. Nixon: Umbrage, umbrage.

Hon. Mr. Davis: Well, I can take umbrage, I can disagree, I don't personally have to be outraged in the process.

Mr. Nixon: Is the Premier implying that this matter is of no importance?

Hon. Mr. Davis: No, Mr. Speaker, I'm not implying this matter is of no importance.

Mr. Nixon: Well, will he give us an answer?

Hon. Mr. Davis: I am saying that there is an order issued by the court, which I intend to respect.

Mr. Nixon: On a point of order, since the Premier has raised a matter of such importance, I wonder if he would—

Hon. Mr. Davis: I didn't raise it, you did.

Mr. Nixon: Excuse me, Mr. Speaker, if I may clarify my response to the interjection that this is a matter which, it is said, cannot be discussed in the House. Certainly that is a matter of special importance and sensitivity. Mr. Speaker, I wonder if you would use your good offices to see that the orders of the court are placed before the House so that we might have your guidance as to whether or not this matter, which involves Ontario Hydro and a decision by the Premier to order a secret inquiry, can or cannot be discussed in this House.

Mr. Speaker: Not being familiar with the subject of the hon. member's comment—

Mr. Lewis: You are the only one who isn't.

Mr. Speaker: —I will look into it and see if that is proper or if it is not proper.

Interjections.

Mr. Speaker: Order, please. We had better get off this subject. The member for Bellwoods.

Interjections.

Mr. Speaker: Order, please.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: Order, please. Everything has been declared sub judice as I understand it.

Mr. Lewis: It has not.

Mr. Speaker: Order, please. If a question can't be answered there is not much point in pursuing it.

Mr. Lewis: He hasn't answered the question.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: Just a moment. You may ask your supplementary. This will be a final supplementary on this matter.

Some hon. members: Oh, no.

Mr. Sargent: How can you rule that?

Mr. Speaker: Order, please. The hon. member should be the last one to ask.

Interjections.

Mr. Speaker: Order, please. Will the hon. member please be seated. Order. It has been

indicated that there is no answer to the original question.

Mr. Sargent: How do you know until you have heard the question?

Mr. Makarchuk: That is a pretty logical statement.

Mr. Speaker: It has been indicated that an answer is not possible to the subject under question.

Mr. S. Smith: Supplementary to that answer.

Mr. Speaker: There can't very well be a suplementary question to a non-answer. Order, please. I am willing to hear the supplementary. If an answer is possible it will be given, I am sure. If it is not possible then it can't be given. We will have one supplementary from the member for Ottawa Centre first of all, and we will rule on that.

Mr. Cassidy: Thank you, Mr. Speaker. Can the Premier please say under what authority —he didn't answer this question before— former justice Campbell Grant was asked to make this inquiry? Can he also say why, when allegations of activity that might be in contravention of the law were being made, no reference was made to the OPP, but the political route was taken for having this kind of an inquiry?

Hon. Mr. McMurtry: Political route? That is nonsense.

Mrs. Campbell: How do you know?

Hon. Mr. McMurtry: Are you saying you join in that insult to Hon. Mr. Grant?

Hon. Mr. Davis: Mr. Speaker, I don't intend—because this is an important matter—to comment on an accusation of that kind about a former justice of the Supreme Court of this province. I just won't share that sort of insult with the member for Ottawa Centre.

Interjections.

Hon. Mr. Davis: Mr. Speaker, I just restate what I said to the former Leader of the Opposition—that there is a court order. I intend to respect that court order, and I cannot and will not comment on matters that are presently before the court and that are the subject of a court order requiring non disclosure or discussion.

Mr. Speaker: Order, please. Next question. The hon. member for Bellwoods with a new question.

Mr. Cassidy: The court order doesn't extend to who ordered the Grant inquiry.

Interjections.

Mr. Speaker: Order, please. The Speaker has called for the next question from the member for Bellwoods.

Mr. Lewis: On a point of order. I am not very happy with the Speaker's ruling. I would like to make a point of order. I am not inclined to pursue things that are in the court. I just want to know why it is sub judice or why the Speaker cannot allow the Premier to respond to the question of who ordered an inquiry which this government entertained, and why? That has nothing to do with the court.

Hon. Mr. Davis: This is right. It has been made very clear. I said in the press I asked Hon. Mr. Campbell Grant to do this investigation.

Mr. Sargent: How much are you going to pay him?

Hon. Mr. Davis: It may come as a great shock to members across the House but the Premier of this province does have that right.

Mr. Nixon: And he has the responsibility—

Mr. Speaker: Just one moment please. The hon. Leader of the Opposition has a comment or a question of me.

Mr. S. Smith: Supplementary to that.

Mr. Speaker: Well you may place it and we will see whether it should be answered or not.

Mr. S. Smith: Thank you very much, Mr. Speaker. In view of the answer that the Premier himself ordered the inquiry, I want to ask the Premier under what authority he asked the judge to do this; and furthermore, whether there were funds voted for this inquiry? If so, how much and by what authority?

Hon. Mr. Davis: Mr. Speaker, I don't want to be provocative. I will try to help the Leader of the Opposition as much as I can. The Premier of the province does not need any statutory authority to ask for something to be looked into or investigated. I did it on my initiative.

[10:45]

Mr. S. Smith: You do need authority for the money.

Interjections.

Mr. Speaker: Order please. The hon. member for Bellwoods with the next question.

CHILDREN'S SERVICES

Mr. McClellan: I have a question of the Minister of Community and Social Services with respect to his statement. Do I understand correctly the statement of the minister with respect to the implementation sequence for local children's services committees, that the gist of what he said was that we will not see full implementation of local children's

services committees across the province until 1982, some five years hence?

Hon. Mr. Norton: I don't recall that date being included in my statement. I did indicate the implementation of children's services by the local authority in the area would begin on April 1, 1978.

Subsequent to that, after establishing a series of initial projects across the province and gaining experience from the implementation and the operation of those during the first year in a variety of local settings, including the north and certain areas in the south with different local government structures in those areas, for example, we would then be in a position to expand beyond that.

I would urge the member to try to see the wisdom and the realism in that approach. There has been an attempt in other jurisdictions to take similar steps in terms of the decentralization of the delivery of children's services. To date, the experience in other jurisdictions has not been very successful. In one jurisdiction where they have been engaged in the process for a number of years now—one of the American jurisdictions —they have only recently arrived at a point which is approximately where we are now in terms of our first phase of implementation.

In the implementation at the local level one has to bear in mind the delicacy and the potential difficulties that exist there in terms of the question of the structures of the local committees, the question of the roles of those who are engaged in the delivery of service vis-à-vis those who are at the receiving end of the services, the importance that whatever models we implement at the first stage of that implementation be carefully developed through consultation and then very carefully implemented and monitored so that we can be sure we don't meet with the kind of frustration that other jurisdictions have.

I am very optimistic because I think we have some of the most able staff in this whole country who are working on this and who are very much aware of the sensitivities of the communities across this province. To forge ahead too quickly could be the most negative of all approaches.

Mr. McClellan: By way of supplementary, given that I am simply trying to understand the time table, may I ask the minister if I am correct as follows: That he will establish pilots in 1978 which will begin budget review in 1980, which will be ready to assume full responsiblity in 1981 and, if I understand correctly, which is my question, he is not prepared to implement across the province local children's services committees until the pilots have assumed their full responsibility, which according to his table is 1981. So are we looking then at 1982, which is my question, for implementation, which is five years away?

Hon. Mr. Norton: I can't find the specific spot to check the accuracy of the member's quotation. My recollection was that after one year of experience with the local committees we would proceed then with the implementation—

Mr. McClellan: At full responsibility?

Hon. Mr. Norton: —on a broader basis across the province.

Mr. McClellan: You still don't know.

Mrs. Campbell: Supplementary: Could the minister explain to this House what he contemplates as the membership of the local committees? Are they to be confined, at least in the early stages, to the mechanics of the situation, including the funding, rather than to the very much more pressing matter of the accountability to the community?

Hon. Mr. Norton: Mr. Speaker, on the first part of that question, the composition of the local committees, if the member checks the accompanying documents with the implementation plan, for example—

Mrs. Campbell: I am trying to find it.

Hon. Mr. Norton: —there is a section in that which sets out in considerable detail the types of questions that we have yet to answer, in consultation with the people across this province, before there is a final determination of the composition of those committees. In fact, on page four of the implementation plan—and I think that the hon. member can recognize that those are questions that it is essential to answer before we make any final determination on the composition—there are a variety of positions.

If one speaks with some people involved in local government they would see it primarily as simply a committee of the local council. That is a totally unacceptable position to many of the people who are engaged in the delivery of services across this province and others who have been participating in the consultation process. So obviously there has to be some further consideration to that and a resolution of those differences of opinion if we are going to arrive at the position where we have the co-operation of the people from all of the agencies and from local government as well.

Initially, in the involvement of the local committees in the planning process at the local level they will obviously be involved in

the aspect of financial planning and budgeting for the area. That will be one of their earlier involvements. They will also become involved in the question of setting of priorities and the establishment of those priorities for their communities and the planning of children's services to meet the needs of their local communities. It will not be exclusively, by any means, a financial function that they fulfil.

Mr. Mancini: You are getting as bad as Taylor.

Mrs. Campbell: Supplementary—

Mr. Speaker: We have spent close to 10 minutes on this particular question. I know it's important, but I think we should come back to it later if we have time, because we're cutting out the opportunity for other members to ask questions. The hon. Solicitor General has the answers to questions asked previously.

SHOOTING AT BRACEBRIDGE

Hon. Mr. MacBeth: Mr. Speaker, I understand in my absence on Tuesday the member for York Centre (Mr. Stong) directed a number of questions to the Premier concerning the armed robbery of the residence of the member for Simcoe East (Mr. G. E. Smith) and the subsequent police action.

I have been advised by the commissioner of the Ontario Provincial Police that at 11:30 a.m. on June 27, Mrs. Smith returned home and was confronted with an intruder armed with a sawed-off shotgun. The man robbed her of approximately $155 in cash and a quantity of jewellery. Mrs. Smith's car was also stolen. During the robbery the culprit terrorized Mrs. Smith by telling her that he was desperate and had nothing to lose. At one point he threatened to shoot her grandchildren when they returned if she did not obey his demands.

An investigation was conducted by the Orillia police department and the OPP, and as a result a description of the stolen car was broadcast over the OPP radio network in which the man was described as armed and dangerous.

At about 1:30 p.m. provincial constable M. J. Murdoch observed the wanted car travelling north on Highway 11 south of Gravenhurst. Murdoch pursued the car and, over a distance of seven miles, several attempts were made by well-marked OPP vehicles to bring the stolen car to a stop. Three black-and-white cruisers and one motorcycle were involved. At one point a motorcycle officer pulled up on the left side of the car and was forced by the driver into the lanes of oncoming traffic. When one stationary car attempted to stop the stolen vehicle at the intersection of Highway 11 and Reay Road the driver turned west on Reay Road and continued a distance of approximately one mile when the vehicle ran off the road and struck a tree. No shots were fired by any police personnel during the pursuit of the vehicle.

At the time the vehicle struck the tree, it was being pursued by two OPP cruisers driven by provincial constables B. C. Kruger and M. J. Murdoch. At this point, the driver jumped out of the car and pointed a loaded sawed-off shotgun at Constable Murdoch. Constable Kruger told the man to, "Hold it"; but he continued to advance, pointing the shotgun at Murdoch. Both officers believed that their lives were in danger and fired four shots from their .3 service revolvers, fatally wounding him.

The deceased has been identified as James William McGrath, age 52, of no fixed address. He escaped from Joyceville Penitentiary on May 28, 1977. He has a lengthy criminal record involving crimes of violence, including armed robbery and charges of possession of firearms.

All OPP officers were dressed in prescribed police uniforms. Constables Kruger and Murdoch received extensive firearm training. In all cases where OPP officers are involved in the apprehension of armed and dangerous persons, every effort is made to effect arrest without violence. In this instance and from the information that is available at this time, I am satisfied the action taken by our officers was justified.

A thorough and extensive investigation is presently being conducted by CIB inspector Tom Lennon and by regional coroner, Dr. F. F. Archdekin of Bracebridge. An inquest is planned for the week of July 11 in Bracebridge. Because of the pending inquest, it would be inappropriate for me to discuss the case in greater detail at this time.

If I just might go on to a matter of fire safety which was also raised when I was away, I have a five-page answer and I might propose to hold it. There was urgency involved at the time of the question. I only returned from Ottawa just last night, and I would propose to hold it for the first of the week and give it as a statement, if that is agreeable. Otherwise, I can give it as an answer today, sir.

Mr. Speaker: Agreed.

LOSS OF DOCTORS

Mr. Conway: A question of the Minister of Health: I wonder if the ministry has any data to support or repudiate the recent reports that in recent months there has been a sharp increase in the number of Ontario doctors leaving for the United States?

Hon. Mr. Timbrell: No.

Mr. Conway: Considering that this statement has been made, not only by the Ontario Medical Association but supported this week by the registrar of the College of Physicians and Surgeons, I wonder if the minister would undertake a dialogue with that particular agency to determine what, if anything, can be done. One of the reasons given for the sharp increase is government relations in this province.

Hon. Mr. Timbrell: This is a subject which has been a matter of discussion between me and the members of the College and the OMA. It was a subject of discussion as well at the most recent meeting of Ministers of Health in Ottawa just a week ago today. I will be pursuing it further with the college because I think there are some things we could be doing to address some of the difficulties, although I may say that Ontario, and Canada in fact, faces a situation currently and looking ahead over the next decade of a surplus of physicians. I think we're going to have to do everything possible to bring our needs for physicians into line with the realities of what we can afford and of the services required.

Mr. Conway: Supplementary: Having regard to the surplus question, would the minister support or deny a claim made in a recent report that, because of a lack of specialists at Humber Memorial Hospital here in Toronto, there has been a temporary shutdown of one ward at that hospital?

Hon. Mr. Timbrell: That must be a report that went just to that member. I've not heard it, Mr. Speaker.

Mr. Speaker: Final supplementary on this.

Mr. B. Newman: While arriving at an answer to this question, would the minister look into the Essex county situation because, from the understanding I have from Dr. Stanley Oleksiuk, it is a very grave situation and large numbers are actually leaving the country and going into the United States?

Hon. Mr. Timbrell: I met with Dr. Oleksiuk and representatives of the Essex County Medical Society within the last two weeks, and there again the question did arise. But I think the hon. member has to realize, first of all, while it's true that some doctors are leaving the province of Ontario, leaving Canada for that matter, for a variety of reasons, including much higher salaries, lower income tax rates and other factors in the United States, we are at the same time experiencing in Canada as a whole an ever-increasing number of physicians. We have something like about a one and a half to two per cent increase in the number of physicians per year. Even though we've taken steps in Canada to limit the number of doctors coming into the country from outside of Canada, we still are turning out a fair number of graduates. It's to that area, as well as the question of migration to Ontario, that I think we're going to have to address more attention in the years to come.

[11:00]

I may add just one thing. It was confirmed to me at a recent meeting that within the next two years the province to the east of us will put virtually all of its doctors on salary. I think it's fair to assume that we will have a significant influx of specialists in particular, but doctors in general, to this province because of that.

Mr. Speaker: One final supplementary on this.

Mr. Martel: In view of the fact that doctors in the Sudbury region some weeks ago had an all-day study session apparently because of the bad relationship between the ministry and the OMA, is there not some way in which this growing mistrust between doctors and government can be healed so that we don't have these frequent walkouts?

Hon. B. Stephenson: Not as long as you are around, no.

Hon. Mr. Timbrell: I find it very intriguing that this question comes from that corner of the House—

Mr. Martel: I was the one who said they should have the right to go on strike.

Hon. Mr. Timbrell: —given all the efforts that the member's party has conducted in recent times to discredit the medical profession in this province.

Mr. Martel: They didn't go on strike against us, they went on strike against you. Don't be such a dummy.

Interjections.

Hon. Mr. Timbrell: I think they were talking about politicians, Mr. Speaker.

Mr. Lewis: The minister is lucky he has legislative immunity for making statements like that. He wouldn't dare say those things outside. He wouldn't dare say it outside.

Hon. Mr. Timbrell: I've said it outside.

Interjections.

Mr. Speaker: Will the hon. minister please continue with the answer?

Hon. Mr. Timbrell: I told the member's colleague, the member for Parkdale (Mr. Dukszta), on several occasions that in my opinion the NDP was trying in the most recent electoral contest to dance into power on the corpse of the medical profession of the province.

Mr. Lewis: As a matter of fact, we are the only party the doctors trust in this province, as it happens.

Hon. Mr. Davis: We got a lot of votes from the doctors.

Mr. Lewis: It is true. I can count each and every one of them.

Mr. Speaker: Will the hon. minister continue the answer to the question?

Mr. Lewis: I hope that got on to Hansard. I hope Hansard has that interjection.

Hon. Mr. Timbrell: How much time have we got?

Hon. Mr. Rhodes: Stay healthy, Martel.

Hon. Mr. Timbrell: Mr. Speaker, in recent months, the member should know, and if he doesn't know I'll tell him, we have established with the OMA a joint committee between the medical association and the Ministry of Health to look at the whole question of health spending as it relates to the provision of medical services. I'm hopeful that out of that process and out of the regular liaison which there is between the OMA and the college with me as Minister of Health and my senior officials, that we can start to address some of those concerns.

Let me say further that I think one of the concerns is that unrealistic expectation on the part of some practitioners that somehow we're going to turn back the clock to the days prior to universal medicare. Any practitioner who thinks that the clock can be turned back is really living in a fantasy land.

Mr. Martel: That is not it at all.

Mr. Lewis: You forced them into OHIP.

ORGANIZED CRIME

Mr. di Santo: I have a question of the Attorney General. Since, on the advice of the Solicitor General and the law enforcement officers, he expressed opposition to a public inquiry into organized crime, and in view of the fact that the publicity of the CBC programs and the media reports have deeply perturbed the ethnic communities involved, the vast majority of whom have nothing to do with organized crime and have contributed much and are contributing to our society, could he tell the House what would be the circumstance that would make him decide that a public inquiry is necessary?

Hon. Mr. McMurtry: Mr. Speaker, it's impossible for me at this time to speculate as to what those circumstances might be. It may be of interest to the hon. member, and to other members, that the federal and provincial Attorneys General met for the past two days in Ottawa. At that time, the discussion of the wisdom or usefulness of a public inquiry into organized crime was discussed at some length. It was almost the unanimous view of all Attorneys General, the federal Attorney General and the provincial Attorneys General, that such an inquiry would serve no useful purpose in their respecive provinces, with the exception of Quebec, of course, which has had a fairly extensive probe mandate which closes at the end of July.

The position of the Attorney General in Quebec is that they see both positive and negative aspects of their inquiry. They wish to have some time to assess its value to determine whether or not they would wish to continue such an inquiry.

The Attorney General for British Columbia said that they were still reviewing the feasibility of such an inquiry but had no immediate plans for one.

So, I think the position of the Solicitor General and myself, so far as recommending any judicial inquiry, is to continue to monitor this situation closely. If at some date in the future—without predicting what those circumstances could be—it would appear to be in the public interest to have such an inquiry, then an inquiry would be held.

I remind the member that the senior representatives of the major police departments in Ontario recently stated, unequivocally, that such an inquiry would serve no useful purpose and, indeed, could interfere adversely with on-going investigations. There are also some 60 to 70 individuals who have been charged, whose cases are presently before the courts, who are suspected of organized crime involvement; and there is a concern that any public inquiry would interfere unfairly with the conduct of those trials.

At the present time, the view of our senior police officers—a view with which the Solicitor General and I concur—is that the most effective way to proceed is to continue to investigate—and the province supplied the OPP with some additional resources very recently with respect to the investigation of organized crime—and to prosecute these people in the courts.

I should say before conclusion, Mr. Speaker, that I share the member's concern in relation to the fact that some minority groups have been singled out as being active in this area. I agree with him that those indivduals in no way reflect the overall communities which are certainly as law-abiding as any other community in the province.

Mr. di Santo: Supplementary: I appreciate the answer of the Attorney General, but in view of the existing uncertainty which has been dragging on since 1972 when his predecessor made a similar statement, would he make a detailed public statement in order to clear minority groups that have been singled out to prevent innocent reputations from being smeared and racism being unleashed?

Hon. Mr. McMurtry: I can make a statement to the Legislature, but I thought that I had already made it quite clear. I think the member is undoubtedly concerned with the Canadian Italian community in particular and I will say very categorically that that community is every bit as law-abiding as any other community in the Canadian fabric. If anyone attempts to draw inferences to the contrary by reason of the fact that certain people have been given a high profile, then I just say that those inferences are totally groundless.

Mr. Reid: Would the Attorney General agree that the amount of organized crime in the province of Ontario has increased drastically in the last few years? Can he indicate to the House whether it is a matter of the present laws as they exist, which are mostly under the federal jurisdiction, or whether it's the problem with the backlog in the courts or the competence of the police in this matter that has allowed organized crime to grow to the extent it has in Ontario in the last few years?

Hon. Mr. McMurtry: I don't agree that organized crime has increased drastically in the last few years in Ontario. I don't agree with that at all. I can tell the member that the police resources that have been allocated to this problem have increased dramatically and, as a result, they are much better able to cope with the problem now than they were 10 years ago. But there's no evidence to indicate that it's increased drastically. Insofar as many figures were identified in Ontario in the CBC program, the identity of these individuals and their suspected activities have been known for many years in this province.

With respect to dealing with it, I have instructed my ministry to establish perhaps a more co-ordinated effort with respect to prosecuting any cases that have any possible characteristic or dimension of organized crime and have urged them to press for early trial dates. This is being done. The fact that a number of arrests have been made in recent months—and we are optimistic about the results of most of these cases—indicates some support for the police position that the situation is handled more effectively through the traditional methods of adequate investigation and forceful prosecution.

At the same time, I should remind members of the Legislature that in providing this traditional approach we also provide certain traditional safeguards that cannot be provided in public inquiries when evidence is introduced, as the hon. member well knows, on the basis sometimes of the most idle rumour and gossip and where people's reputations, often unfairly, are damaged beyond repair. I think every member of the Legislature should be concerned with the importance of maintaining these traditional safeguards.

Mr. Peterson: Supplementary.

Mr. Speaker: No, I think we should get on with another question. I will call on the hon. member for Durham West with a question.

Mr. Peterson: Mr. Speaker, in fairness, that is the wrong order.

Hon. W. Newman: You haven't even got a question.

Mr. Speaker: Order, please. It's been very strongly indicated on many occasions, and quite properly so, that one of the reasons for extending the question period to an hour is to give more people an opportunity to ask questions. When there is a lot of time taken on the questions and their supplementaries, it defeats the purpose of that. We can come back to that question, if there is time. I call on the hon. member for Durham West at this time.

Mr. Peterson: On a point of order.

Mr. Speaker: No; there is no point of order, this is wasting time. It is a very important question—

Mr. Peterson: Of course it's an important question.

Mr. Speaker: —there's no question about that. Will the hon. member take his seat, please.

Mr. S. Smith: We haven't had an answer at all.

Mr. Speaker: It is your question period. If you want to take it all up on one question, then you have spoiled the purpose of extending the question period. I have said we will come back to it if there is time, if you

wish. It is an important subject. We will call on the hon. member for Durham West.

Mr. Peterson: Every time you use your judgement, you are wrong.

NORTH PICKERING PROJECT

Mr. Ashe: I have a question from the hon. Minister of Housing. As the minister knows, there are significant amounts of land in and around the town of Pickering that have been covered under various ministers' zoning orders, amended from time to time, for approximately five years. I am just wondering whether the minister has any indication when these ministerial orders might be lifted—

Mr. Cunningham: Where have we heard that before?

Mr. Breithaupt: Yes, he knows that.

Mr. Riddell: Slip down to the estimates.

Mr. Ashe: —or under what conditions he sees them being lifted?

Mr. Sargent: Tell him he ran for the wrong party.

Hon. Mr. Rhodes: First of all, the zoning orders are remaining in place, as we indicated we would leave them there, until such time as the federal-provincial transportation study was completed. I understand that report should be due some time in July.

Secondly, there is a method by which persons can apply to the minister to have zoning orders amended for specific uses in the area. Some have so applied and have been entertained.

[11:15]

The third reason I have some concern about lifting those zoning orders at this present time is because of the fact that we do have legislation now in the federal House, in the form of Bill C-41, in which the federal Minister of Transport has indicated that if a provincial government or a municipal government does not have land use controls on land around airports then they would assume that responsibility within the terms of their legislation. I would prefer that any control of that land in that particular area remain in the hands of the province or local municipalities and not at the federal level.

Mr. Ashe: Supplementary: Can we have a commitment from the minister that once the joint federal-provincial study is completed and has been tabled he will press other ministries involved to make a disposition of whether an airport will proceed or not, and hence the minister's zoning order can be lifted?

Mr. Mancini: No problem, no problem.

Mr. Lewis: What?

Mr. Cassidy: Is that your government's policy?

Hon. Mr. Rhodes: Mr. Speaker, I don't think that I could make that commitment.

Mr. Sargent: That woke him up.

Hon. Mr. Rhodes: However, I think it's fair to say that there's every possibility that considerable reconsideration may take place in that area as it relates to the airport. I don't want to speak on behalf of my colleague, the Minister of Transportation and Communications (Mr. Snow), but one of the very prominent members of the People or Planes group is now an advocate of building the airport out there, namely the former member for Durham West.

Mr. Cassidy: If you learn nothing you forget nothing, do you?

Mr. Speaker: The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker. I have a question for the Premier in regard—

Mr. Lewis: On a point of order, what exactly was the minister suggesting? That Charles Godfrey is now in favour of building the Pickering airport?

Mr. Nixon: People and Planes.

Mr. Lewis: I'm sorry. Is that what he was saying?

Hon. Mr. Rhodes: Mr. Speaker, what I was saying is that during a certain 37-day period the former member of Durham West was quoted, I believe quite accurately, as stating that if it was a matter of jobs he would be in favour of the airport being built in that particular area.

Mr. Lewis: Come on.

Hon. W. Newman: That's why he's not here today, because you can't have it both ways.

Mr. Lewis: Boy, oh, boy. You couldn't slander him in his presence so you'll slander him in his absence. That is nonsense.

Hon. W. Newman: You just can't have it both ways.

Mr. Lewis: In fact, I will undo my tie and speak to you.

Mr. Speaker: Order, please.

Hon. W. Newman: Read it in the newspapers.

Mr. Nixon: Bash him, Bill.

Mr. Lewis: That is ridiculous, The whole thing is preposterous. You are too much.

Hon. W. Newman: It hurts, doesn't it?

Mr. Martel: Have you got over the smear tactics yet? You reached an all-time low.

Mr. Speaker: Order, please. It's been quite a day. The hon. member for Rainy River with a question.

PROXY VOTING

Mr. Reid: I have a question for the Premier related to a letter I sent him last week in regard to The Election Act. Will the government bring in amendments to The Election Act this fall in order to allow people who wish to vote in a provincial election the widest possible scope in getting proxy votes in the election, whatever reason they have for being away from home on polling day, and including people in hospitals and so on?

Also, if I may add, allowing people in urban polls to be vouched for if they're left off the voters list?

Hon. Mr. Davis: Mr. Speaker, this is not a unique occasion the hon. member has made other constructive suggestions in correspondence to me on other occasions; on one or two occasions.

Mr. Reid: I have lots of instructions.

Hon. Mr. Davis: As to the suggestions that were contained with respect to possible amendments to The Election Act, I will say that I've had a preliminary discussion with the one gentleman who probably knows most about the Act, of anyone that I know at least, and I do contemplate the possibility of amendments to The Election Act.

Mr. S. Smith: What did the Minister without Portfolio (Mr. Henderson) say?

Hon. Mr. Davis: We are contemplating, of course, having both the DROs and the poll clerks from the majority party. I mean we are considering that sort of thing.

Mr. Reid: That was not my suggestion.

Hon. Mr. Davis: Oh, that wasn't one of your suggestions?

Mr. Conway: Well you are finished then.

Hon. Mr. Davis: No, we really aren't contemplating that. But there are two or three other matters that I don't believe the hon. member raised that I hope we will have a chance to consider here as well. One of them, very frankly—and I hope I won't be misunderstood as I have not made up my mind and I have had no discussion with my colleagues—does relate to the length of time of the election. I guess it is just because I felt on about the 34th day—

Mr. Reid: A week is long enough.

Hon. Mr. Davis: —30 days would be long enough. I have discussed this, I know, with the former Leader of the Opposition (Mr. Lewis). I think we reached an agreement, just on a personal basis, that perhaps campaigns were a shade longer than they needed to be.

Mr. Reid: Another week and we'd have had you.

Hon. Mr. Davis: Oh no, another week and they would have found you out; and who knows, it might have been a much smaller group. However, to answer it very briefly, yes, we are contemplating changes, and some of those which the hon. member mentioned in his letter.

Mr. Riddell: The fact of the matter is we conked you out.

Hon. Mr. Bernier: You lost a seat you know. Didn't anybody tell you that?

Mr. Speaker: The oral question period has expired.

GRANT INQUIRY ON HYDRO

Mr. Nixon: On a point of order, Mr. Speaker: In reference to the point of order I raised during the question period, I don't know if you made it clear whether or not you would look into the matter of sub judice as it applies to the matter that was raised in the question period, so that we would know what areas surrounding the decision taken by the Premier to call a special inquiry would be a subject for the question period in the future. I would appreciate your advice in that regard.

Mr. Speaker: Petitions.

REPORTS

Hon. Mr. Timbrell: In accordance with the revised House rules requiring statutory reports to be tabled within six months of the close of the reporting period, I wish to inform the House that the 1976 annual report of the Ontario Cancer Institute is being tabled today.

However, some delay is anticipated in presenting to the House three other statutory reports for 1976 which are due at the end of June. They are the 1976 annual reports of the Ontario Cancer Treatment and Research Foundation, the Health Disciplines Board and the Denture Therapists Appeal Board.

I understand that the 1976 financial statement of the Ontario Cancer Treatment and Research Foundation is being audited by the Provincial Auditor, and that the report of the Health Disciplines Board and the Denture Therapists' Appeal Board are with the printer.

Mr. Speaker: Motions.

Introduction of bills.

BUSINESS OF THE HOUSE

Hon. Mr. Welch: Mr. Speaker, just before calling the order of the day, the rules provide for some indication on Thursday as to the order of business for the following week. Suffice it to say at this point that we will proceed with legislation and estimates as we have agreed.

I would like to draw the attention, particularly of the private members, to the balloting which will go on in this chamber on Monday next at 11 a.m. The private members who wish to take advantage of provisional order 36 will be here, hopefully with their ballots, and we will establish the order of precedence for the consideration of private members' bills starting in the fall. I am advised there are a number of private members who have not picked up their ballot. If they would like to check this out they may do so at the Clerk's table. We will be here for that exciting draw on the American holiday, July 4 sharp at 11.

Mr. Cassidy: Will it be televised?

ORDERS OF THE DAY

SUCCESSION DUTY AMENDMENT ACT

Hon. Mr. McKeough moved second reading of Bill 7 an Act to amend The Succession Duty Act.

Mr. Peterson: Very briefly this is a bill to change certain provisions of The Succession Duty to increase the amount of estate that is not exigible for duty in the circumstances to simplify certain procedures. I just want an opportunity to say a few things that we feel about this.

There was certainly some speculation some years ago when the capital gains tax was brought in that the province may be vacating the field of succession duties. Certainly that was one of the views that has been expressed by several people and in fact the succession duty field has been vacated by certain other provinces.

On the other hand, there are, we feel, valid reasons for maintaining some kind of succession duty level in this province, all the while being sensitive to the fact that we are competing with other jurisdictions, and the competition is getting very tough, to create the proper kind of investment climate. I think this is something that probably should concern the Premier (Mr. Davis) and the Treasurer (Mr. McKeough). With the number of high taxes we have, as although granted our income tax is near the lowest, we are making this a decreasingly attractive province for people to live in today with our very high taxes in various areas.

I think any government is always in competition for highly skilled people and skilled workers for industry. Industries have many options when they decide where they are going to locate in this country today. Certain other provinces, namely Alberta, make it very attractive for industry to go there and are arranging for lots of assistance and creating a very attractive atmosphere for people to go there.

Hon. Mr. Davis: And Saskatchewan.

Mr. Peterson: And now Saskatchewan and British Columbia. I think one has to be very sensitive to this, and I think in fairness the Treasurer is trying to create the proper kind of atmosphere that will keep people here. I think when one looks at the numbers, we are in danger of losing, by way of slow erosion, some of the very solid manufacturing base we have here in this province. This is one of the things that concerns me, and that is one of the reasons we support an increase in the exemption and in the size of the estate for succession duties.

Another point I would like to make: Succession duty in many respects is a dead tax. It just taxes the total amount of wealth, not the increment, nor is there relief for a decrease in the amount of wealth, but just on the actual amount. It in fact is a tax on wealth. Again we are going to have to be very sensitive that we don't drive people out of our jurisdiction with a size of estate over $300,000.

Granted there are a very limited number of estates that are exigible for succession duties, but we are seeing a decline in the amount of revenue generated from succession duties. We are projecting less next year than we projected this year and the last couple of years. We are seeing, possibly—I can't prove this, but we must be very sensitive towards people of means, people who are prepared to invest in a province, perhaps leaving because it jeopardizes their own position.

That's a very serious worry to us. My personal approach, Mr. Speaker, is to favour those people who stay here and invest. I think we should be very sensitive about punishing people who invest. I don't have any hesitation personally about punishing the over-consumer, using the tax system to tax consumption; but when people are staying, when people are investing in this province—and Lord knows we desperately need investment here, the demand for capital is going to be phenomenal over the next 10, 20

and 30 years, for transportation systems, for energy systems and all of that kind of thing—I think that we may want to be looking at ways to work the personal tax structure in order to keep that investment here, keep it rolling over, keep it creating jobs and keep it creating profits.

That is one of the problems that we run into with the succession duty tax; that people will go. We've seen an instance of that with these phenomenal wealth taxes in England where they virtually destroyed all estates. They've substantially disrupted the nature of investment and of business and of accumulated wealth.

[11:30]

On the other hand it is not our view in the Liberal Party that we should be encouraging the accumulation of great amounts of non-productive wealth, because we don't feel that's in the interests of any society. But as long as it is productive, as long as it is turning over and as long as it is creating jobs, then we feel we have to be sensitive to those amounts of capital. There are lots of ways to escape these wealth taxes now, in family farms and family businesses and that kind of thing, but there are becoming so many loopholes to it that it's probably not as meaningful as it used to be.

With those provisos I would just say to the Treasurer that we support this bill. We think it keeps pace with inflation, roughly, and it's probably necessary to do that. Frankly, an estate of $300,000 is not a large estate in many respects given the fact that if the people aren't encouraged to save and provide for their own old age or whatever, they'll end up on the public payroll and end up a burden on society. Certainly our philosophy of taxation should be to encourage people to save, to provide for themselves and to guarantee their own economic futures as best we can, rather than having everyone's economic future depend on the state because we are now realizing the costs of that. That's why we have no hesitation whatever in supporting the Treasurer on this particular bill and in looking for that magic balance between the two competing forces that I was talking about. We feel that the figure of $300,000 is as reasonable in the circumstances as we can possibly come up with and that is why we support this bill.

Ms. Bryden: This bill appears to be a considerable rewrite from Bill 42, which was introduced with the budget on April 18, which makes one wonder if the government really knew what it was doing when it brought in its budget bills and then had to rewrite the whole thing two months later. The particular part that has been rewritten the most is the question of giving a credit for capital gains taxes as a result of deemed realization on death, which is a very knotty problem. Obviously the government received representations from a good many people who knew something about succession duties and has apparently decided to rewrite it.

As a matter of fact, the whole Succession Duty Act is long overdue for rewriting. I think it started in 1892 and there was a major revision in 1939. Since then it's been strictly picking and poking at it. It's considered about the worst piece of legislation in the field in Canada. We did have an advisory committee set up by the government in 1973 to look at our succession duty statutes. That committee's recommendation said: "The committee urges the immediate repeal of The Succession Duty Act and the simultaneous enactment of a modern amplified death tax." The government is still turning a deaf ear to that and leaving us with legislation which requires a great deal of legal advice and assistance and takes up a great deal of time.

This particular amendment does a number of things. First of all, it raises the duty free threshold for estates from $250,000 to $300,000. Second, it eliminates from the additional rate of duty any individual inheritance of $300,000 or less in the preferred and collateral groups. Third it provides that in the case of the capital gains tax arising from deemed disposition at death of the assets that have capital gains, the charges for this under The Income Tax Act may be fully credited against succession duties payable rather than, as in the past, deducted from the aggregate value of the estate at the election of the excutor.

For a great many people this is a very significant additional benefit in that for some people it could completely eliminate duty. If they had a large amount of capital gains tax payable at death, it could wipe out the duty payable on their estate.

Fourth, it provides for some administrative simplification, releasing certain classes of property without ministerial sanction. The minister is given power to prescribe by regulation the persons or classes of persons who may benefit from this and the classes and kinds of transactions which may benefit from this.

Fifth, it replaces an archaic form called the affidavit of value and relationship by a simplified return.

Sixth, it provides for retroactive regulations to implement the above new powers given to the minister. This is a very questionable type of legislation, to empower

people to put into effect retroactive regulations. It also provides for a retroactive effective date, back to April 20, 1977, so that at least the people who died since 1977 were not affected by that two-month hiatus in the life of this province when business ground to a standstill due to an unnecessary election. However, once again I question whether it is good legislative practice to put into effect retroactive effective dates.

As a matter of fact, the Minister of Revenue sent out a rather cheery memo to people just the day the election was called saying not to worry, we're going to introduce all these bills as soon as we get back in—she didn't put it quite in those words—they will all be introduced when the new government is formed and you can expect that the exemptions that are to be allowed in the bills will go ahead.

We intend to oppose this bill for several reasons, outside of the fact that I think it is a very bad substitute for a new Succession Duty Act. Basically, we believe that the taxation of wealth is basic to a progressive tax system and the transfers of wealth between generations is an appropriate place for the state to take a share of the wealth. I'm not suggesting they should take all of it, but I am suggesting that this is an appropriate stage at which the state should share.

Mr. Nixon: That is good of you.

Ms. Bryden: Because, otherwise, we do not really believe in equality of opportunity. Everybody comes into this world with nothing and they go out with considerable, but the new generation should not have head starts over other people.

Mr. Nixon: Are you going to take yours with you?

Mr. Gaunt: You come in with nothing and go out with nothing.

Ms. Bryden: However, this does not mean that we do not recognize that there must be special provision for widows, for spouses, for dependants who are left when the deceased passes on. We have always said this, that there must be fair and generous provision for spouses and for dependants.

Second, we have always said that the family home, for the middle and lower income classes certainly, the reasonably priced family home, should be protected from succession duties. Third, we have said there must be special provision to prevent the breakup of family businesses and family farms because we know that succession duties can cause problems in this field.

I was going to quote from our party policy on this just to clarify the issue, because I understand there were some misrepresentations made about our position on succession duties in the election.

This is the New Democratic tax program, printed in our party program which was published in 1970, and it has not been changed since then on this particular issue. It says: "To avoid hardship, instalment payment of duties over a period of years will be permitted and special arrangements will be available to prevent breakup of family businesses and family farms, including payment of duties in ways other than by cash."

With regard to the protection of the family home, we're all aware of how house prices have escalated rapidly, and what appeared to be a reasonable exemption from estate tax a few years ago, no longer protects the family home in certain of our major urban centres. It seems to me it's time that we perhaps put some sort of an automatic escalation on to the exemption level at which estate tax or succession duties apply. It may have to vary, depending on the average house sales in different areas, but this business of having to bring in an amendment every year or two to raise the level is really inefficient and people don't know where they stand when they're planning for their future.

When we get to exemptions of the size of $300,000, we are not just protecting the average family home; we are protecting some very well-off people. It seems to me that estates of that size should be contributing a considerable amount to the Treasury, particularly when the Treasurer seems to have such a hard time finding enough revenue to cover his expenditures. With a $1.5-billion deficit, to be reducing the take from succession duties at this time seems to be the wrong direction.

The Treasurer seems to be favouring the well-to-do at the expense of the rest of the taxpayers who have to make up the difference or who have to pay the heavy interest rates that we're all paying for that $1.5-billion deficit of last year, especially when one considers that some of the rather excessive exemptions are going to people who are very remotely related to the deceased or perhaps not related at all.

I think the minister's approach is out of whack. He is not producing a tax on wealth. He is producing a tax that is only a token and really is contrary to the principle of ensuring equality of opportunity and the need to break up concentrations of wealth. There is no doubt that wealth is concentrating in this country, and the lack of a proper federal estate tax is another cause, but at least the province should be doing its part to prevent

the concentrations of wealth, because after all we know that wealth is power, and in our society we want power to be spread widely.

For those who think that succession duties should be abolished, as our friends to my right appear to think—I'm glad they're to my right now—I would like to draw their attention to the Smith committee, which studied the Ontario tax system very thoroughly and reported in 1966. It looked at succession duties in great depth and came to this conclusion:

"To the extent that the income tax ignores capacity to pay as represented by ownership of capital assets, the whole revenue system departs from the principle of ability to pay. Taxes based on wealth can mitigate this deficiency and increase the general equity of the tax system."

There are many other writers on taxes who have corroborated that view.

Despite these conclusions, the Ontario government remains in the field but has been steadily eroding the base by repeatedly raising the exemptions beyond what is a reasonable level. As a result, the revenue yield has dropped from a high of $88 million in 1973-74 to an estimated $56 million in the present fiscal year. Succession duties and estate tax payments from the federal government amounted to 3.8 per cent of our total revenue in 1964-1965. They now amount to less than half of one per cent of our total provincial revenue.

[11:45]

I will concede that some of the revenue loss is due to improvement in the equity of the succession duty system in this province. With all this tinkering year by year, they are bound to do some good things. But it seems to me the principle should be that you decide that a certain percentage of estates should come back to the province and, if in the interests of equity you reduce the succession duties on one class of estate, you should recoup that revenue by increasing the rates on the estates with more ability to pay so that you maintain a reasonable contribution from succession duties to provincial revenues.

One of the problems I would like the minister to do something about is the absolute absence of any statistics of a published nature on our succession duty collections. We have no figures that show the number of estates, the income classes into which they fall and the amount paid by the estates in the various income classes. The sort of statistics that are published for income tax collections are missing for the estate tax, which is one reason so few people are able to criticize it adequately or even are aware of what it brings in.

Turning now to this new policy to let capital gains taxes paid on death as a result of deemed realization be a credit against succession duties otherwise payable, formerly such taxes had been allowed only as a debt on the estate. But, as we know, the difference between that and a credit is that the credit comes back 100 per cent to the taxpayer. When it's a debt on the estate it affects the value of the estate, but then the dutiable rate is applied and a certain percentage is collected.

I would like to quote one person's opinion, Professor John Bossons of the University of Toronto's policy analysis section, who has looked into succession duties in great depth. On the question of whether a capital gains tax is a suitable substitute for an estate tax, his conclusion is: "Substitution of a capital gains tax for an estate tax can hardly be rationalized on the grounds that it is an efficient way of promoting saving. To put it differently, if an incentive to counteract the negative effects on saving of a capital gains tax were desired, one would have to take considerable pains to come up with an incentive that would be as ineffective as the elimination of the tax on estates."

He also says about the effect on risk-taking investments and encouraging savings: "While an income tax reduces income currently available for investment and reduces the rate of return on such investment, particularly when it includes a deemed realization on capital gains at death, an estate tax in effect merely makes one particular type of consumption more expensive, namely, the giving of bequests. It thus reduces the value of any return from an investment only if that return is given away as a taxable bequest. Moreover because a tax on bequests does not occur until death, it is heavily discounted." So Mr. Bossons concludes that it is not a very efficient way of encouraging capital investment to provide a credit of this sort or to consider that a deemed realization tax on capital gains is a substitute for succession duties. This whole question was examined in great detail by the Langford Advisory Committee on Succession Duties in Ontario in 1973. They admitted that it was a very difficult question as to how to deal with this problem. Because there is a problem, I will concede that, of a sort of "double whammy" on some estates. The problem is that—say you had an estate with $1 million worth of shares in it, which you bought for $100,000 in 1972. At death, you would pay $270,000 approximately—this is based on

certain assumptions—in capital gains tax on that $900,000 capital gain. You would pay approximately $200,000 succession duties on your estate after you deducted that cost. But if you are allowed to take a tax credit, instead of paying $470,000 between the two taxes, which seems like quite a lot out of $1 million, you would get tax credit for the entire amount of your capital gains tax, because it is more than your succession duty tax. Therefore you end up paying only $270,000 capital gains tax, in the form of income tax, when you die, but you pay no succession duty tax in that example.

If you had sold those shares six months before you died, you would still have paid the same $270,000 in capital gains tax, but you would also have paid succession duties on whatever assets were left in your estate at that date. So assuming you hadn't become a pauper, you would be considerably worse off. So it is a concession, and it's a concession that varies in its incidence greatly, depending on what you have in your estate and how many of your assets are capable of generating capital gains or losses.

The Langford commission, 1973, did a sample run of estates and found that at least half the assets in most of the Ontario estates that it was examining were not capable of generating capital gains or losses. Therefore a credit of this sort would apply only to half of the estates and again in varying degrees. The Langford commission looked at four possible alternatives to solve this "double whammy" problem, and they found them all flawed. One of them would be to change the federal income tax Act; but they didn't feel that Ontario could do that—although that might have been the best solution. They thought you could increase the exemption under The Ontario Succession Duty Act so that there wouldn't be as big a double whammy, or you could change the rates for the same reason.

But then, of course, when you do that you are affecting all the other estates that don't particularly suffer from this problem. So they reluctantly did recommend a credit, mainly because there wasn't any other available remedy they could see. They noted that it is a non-neutral approach, it results in a lock-in effect. You tend to hang on to your assets until you die, and that's not necessarily considered good for the economy, that sort of lock-in effect. They noted that it would benefit those who used tax shelters during their lifetime, tax shelters which were put in place with the understanding that the deferred taxes will be paid ultimately on death because it lets them off the death taxes, and therefore, in effect, they never pay back the deferred taxes.

Mr. Speaker, what we are being asked to buy is a credit system that is highly questionable, that will probably benefit only a very limited number of very well-off people, and will be discriminatory against others. That is another reason we decided not to support this bill. We think there probably are better ways of revising our Succession Duty Act to get more equity into it, and at the same time to consider relief for people who are severly hit by particular provisions.

Outside of that—plus my objection to the retroactive regulation principle, and the retroactive date principle which are other reasons why we are opposing it—those are my principal objections to it, Mr. Speaker.

Mr. Acting Speaker: Is there any further discussion on second reading? The hon. member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker. I want to support the comments of the member for Beaches-Woodbine and make a few comments of my own about this particular bill.

The bill represents a further abandonment of any effective tax on wealth in Ontario and that's why we're opposing it. The level of exemptions below which estates are tax free is being raised to $300,000, where it was formerly $250,000. But it's worth remembering that prior to 1975 the exemption limit on estates was $150,000. The Treasurer, who has preached incessantly about what a great restrainer he is in this particular area, has what can only be described as a peculiar form of blindness.

We know the situation that Ontario is in, or that the provinces have been putting themselves into. It is the Liberal government in Ottawa which has, to some extent, created difficulties with the succession duty and has made it more difficult for provinces to levy a tax which we consider a perfectly legitimate tax on wealth.

If the Treasurer will forgive a bit of ideology on my part—he knows he's going to get it anyway—the fact is that there are many loopholes and means by which people have benefitted in the tax system while they are living. It does make sense that there is an inter-generational tax on death in order to catch up with some of those things that are permitted during the lifetime of somebody who's piling up an estate.

It's just a reasonable part of an overall tax system. If you don't get it at one point you should be able to have a crack at it later. If the Treasurer believes that we should

have a wealth tax instead, then let him say so. But he has this ideological commitment to saying that there should be no tax at death. I've always thought the best taxpayer was a dead taxpayer, because he can't fight back. But the government seems to believe otherwise. It thinks there should be far more compassion shown for people when they die—in the money they leave behind—than for people while they are living.

It's particularly objectionable to see this kind of tax expenditure by the government taking place when it has dragged its feet in so many other ways, and used the call of restraint in order to justify it.

I've talked about the distortion of priorities represented by the fact that in a year when grants to municipalities as the Treasurer said last night, are up by 12 per cent or something less than that, when the spending on government programs in many cases is below nine per cent of an increase, when the new Minister of Community and Social Services, the bleeding heart radical from Kingston, came in and very quickly found himself pared down by the cabinet and was able to give only an eight per cent increase in social assistance benefits for people who are handicapped, disabled or legitimately in need—

Mr. Acting Speaker: Order, please. Would the hon. member return to the principle of this particular bill.

Mr. Cassidy: Yes, Mr. Speaker. I'm seeking to put in perspective the undue generosity which is being shown to the estates of dead people, compared with the way that this government deals with living people in the province at this time.

Mr. Makarchuk: That's important.

Mr. Cassidy: When the Minister of Labour (B. Stephenson) has clearly been stared down by the right wingers in cabinet when she tried to get—

Mr. Acting Speaker: Order, please. I would ask you to come back to the principle of the bill.

Mr. Cassidy: This is the principle of the bill, Mr. Speaker.

Mr. Acting Speaker: This Chair does not agree. Will you return to the principle of the bill?

Mr. Cassidy: By all means, Mr. Speaker. I accept your authority in these matters.

Mr. Breithaupt: This is leadership, you know.

Hon. Mr. Handleman: The campaign is on.

Mr. Cassidy: When the government fails to move in all of those areas—I was going to mention the minimum wage but I won't mention any more in view of what you say—but then turns around and gives a 100 per cent increase in the exemption level on estate duties well that's pretty ridiculous, it really is pretty ridiculous. This is a tax expenditure which should be contrasted with other areas where the government chose not to expend taxpayers' money. It gave substantial benefit to dead taxpayers of great wealth and of great means.

I want to go back for a second to the budget that was given in 1975 by the present Treasurer. At that time he made pretty clear what was going to happen. The $150,000 allowance was increased to $250,000, The basic exemption for gift tax was raised from $2,000 to $5,000 and the overall exemption for gift tax was raised from $10,000 to $25,000.

[12:00]

With the most recent changes—we will come to these later I guess—the gift tax side, which is the loophole to avoid succession duty while you are living, has been increased in two years by fivefold from $2,000 to $10,000 a year for each individual and from $10,000 to $50,000 overall. That is another loophole created in order to permit people to avoid a legitimate tax on wealth at death, and we are very upset about it.

What is also worth recalling is—like the curate's egg, not everything that the Treasurer does is all bad—in that particular budget of two years ago there was for the first time recognition of the particular problems of small family businesses and of the family farm. The forgiveness period on estate duty for family farms had been 25 years—a period which was unduly long. A couple of unexpected deaths between generations and we could find a grandson owning a farm and very seriously encumbered with estate duty liabilities which should not have been put on to that particular family farm situation. The period was reduced to 10 years, a length of time which we feel, and felt at the time was unrealistic. The Treasurer knows this. I am not sure whether he made any speeches about this during the course of the campaign, but he might have reminded his leader that the New Democratic Party supported that special treatment for the family farm in giving farmers who were passing a farm from one generation to another the right to work off succession duty liabilities by simply keeping the farm in the family for a period of 10 years.

Hon. Mr. McKeough: Bully for you.

Mr. Cassidy: Okay. He might have said that during the course of the campaign.

Hon. Mr. McKeough: I am sure we did.

Mr. Cassidy: They certainly did not. The government representatives certainly did not. The Premier in particular went up and down the province misrepresenting the position of the NDP on the question of succession duty as it applied to farmers, and that was just all of a piece with the kind of campaign that the Conservative Party ran through the province on every issue.

I have one speech which the Premier gave. This was in St. Catharines to a PC nomination meeting. It is significant I think that that was one riding he couldn't keep his hands on. He said that in order to protect the farming community and advance the preservation of agricultural farm land—how they do wrap themselves in great principles—there were specific measures to assist farmers. He talks about the small family farmer, and then he says: "We think, in response to the need to preserve the family farm, that it is fair to have raised the exemption for succession duties to $300,000 to take into account increased equity and increased value for farm lands and to encourage farmers to pass on those lands to their children."

He went on to say: "The NDP on the one hand talks about preserving agricultural land and on the other hand says Ontario could be collecting an extra $100 million in succession duties if it weren't so committed to giving further privileges to people with wealth when they die." He called that an inconsistency in the NDP's approach. The fact is that we had been utterly consistent when it comes to our approach to succession duties on farmers and it is the government which has been misleading and misrepresenting the position before the agricultural community of the province.

The increase in succession duties which is put here is a concession to the urban rich, to people the Treasurer and his party hope will continue to support the Conservative Party. It is not a concession to farmers because farmers are already protected. If they are legitimately in the business of farming, they are already protected because of the 10-year rule that allows them to work off all liabilities to succession duty whether their farm is worth $100,000, $300,000 or $1 million when they die.

We support that particular exemption. We do not support the misrepresentations made by the Treasurer and by the Premier. I think it is a real derogation in this Legislature for that kind of statement to be made.

If you read this year's budget, Mr. Speaker, you can see the kind of line that the Treasurer is putting. God knows, he is inconsistent when he puts this position forward. He talks about the difficulty, because of Alberta getting out of the succession duty field because of their oil revenues, and mentions the fact that BC and Saskatchewan, the two neighbouring provinces, have been compelled to get out of the succession duty field.

Hon. Mr. McKeough: Not compelled.

Mr. Cassidy: They certainly have.

Hon. Mr. McKeough: Nobody ever compels the socialists.

Mr. Cassidy: It's worth noting, though, that the major estates in Saskatchewan are family farms and—we've said it; the NDP government of Saskatchewan says it as well—it is legitimate for family farms to have an exemption from succession duty. That's provided under the present law, and that is effectively what is being done with Saskatchewan's move. But when they are right on the border with Alberta, when it's only a 50-mile move for some people who might come under that temptation to move to Alberta, they are under a very difficult situation.

Hon. Mr. McKeough: You don't know what you are talking about.

Mr. Cassidy: If Ontario had taken the position, however, of Allan Blakeney, the Premier of Saskatchewan, not only would we be preserving our succession duties in this province, we would be going back to the federal government and saying, "Look, you created an impossible situation for the provinces by backing out of the estate duty field seven or eight years ago. You created the possibility of jurisdictions competing against each, and that is precisely what is happening right now."

Then the Treasurer and the Premier of Ontario would be sitting down at federal-provincial conferences, putting the heat on Pierre Trudeau and Donald MacDonald and the other people in the federal government, to ensure that by agreement we got a federal succession duty which could be distributed to the provinces in which that duty was collected. That was the approach of Saskatchewan when it took the uncomfortable step of getting out of succession duties, and it seems to me that Ontario should be taking that view as well. However, that's not the position of this Treasurer; his

view is that wealth should be exempt from taxes, whereas he has no compunction about taxing the little guy who is earning $10,000, $12,000 or $15,000 a year.

He says in the budget: "As a further move towards concentrating the burden of death taxes on large estates"—that's as euphemistic a statement as I have ever heard, because what he really means is alleviating the burden of death taxes—"and to allow for the upward valuation in assets which occurs over time," he proposes that the basic level for duty be increased from $250,000 to $300,000 effective on or after April 20, 1977.

It's certainly interesting that it took a charter for Ontario for the government to make any kind of a promise about providing some protection for our senior citizens who are trying to hang on to their homes against the upward rise in costs. The property tax credit for senior citizens has not been changed for three years. There certainly has been no accommodation to the upward valuation of the cost of living when it comes to senior citizens on very limited incomes. There certainly has been nothing comparable to a $50,000 increase to compensate for the upward valuation of the cost of living in the guaranteed income scheme or the GAINS plan that the province of Ontario provides for people who are handicapped and for our aged.

When it comes to a situation about money passing to a relatively distant relative or to a relative who has already had time to establish him or herself and get their own income and their own career and their own position in life, the government says we've got to give these people an exemption which will give them an extra income of anywhere between $2,000 or $3,000 and as much as about $5,000 a year extra. But that is far more than this government ever saw fit to provide for people who receive the guaranteed income, who have no independent sources of capital and whose contribution to society is only recognized in the fact that they get the pension and a small amount of additional money from the Ontario government.

Not only that, but the government clearly says it wants to get out of succession duty entirely. It has taken the first step, as has been described by the member for Beaches-Woodbine, by eliminating what the government calls double taxation when it comes to deemed disposition on death for the purposes of the capital gains tax at the federal level.

We now have the anomalous position where, if an individual decides to liquidate his or her estate in their 70th year and put all the money into interest-bearing bonds or something like that, they will pay the capital gains tax and then pay succession duty on the entire amount of the estate if they happen to die a year or two later. Should they unfortunately die prior to making that arrangement, however, their beneficiaries will get much more favourable tax treatment than if they had lived. Now that is surely a very inconsistent kind of position.

I guess what the Treasurer is saying when he says that he's going to phase out succession duties when the capital gains tax comes in is that he doesn't see any other way of piling up estate except through capital gains. There is certainly an inclination there to indicate on his part that there is no legitimate way for people to pile up an estate and that the only way they seem to be able to do it is through illegitimate capital gains. I don't know what he's saying, but certainly we disagree with that particular approach as it is being put forward by the Treasurer.

I want to point out as well that all of the protestations of what an awful tax this is really are misleading. The Premier of Ontario wrapped himself up in the plight of widows and orphans who might be affected if the succession duty changes were not put forward, or who might be affected by policies of the New Democratic Party. The fact is that you can have an estate of $1 million, of $2 million, or of $10 million, Mr. Speaker, and if it's given to a spouse, every penny of that estate is exempt from succession duties. There is, and there has been for the past five or six years, I think, no tax on transfers to spouses, no succession duty at all.

In other words, a $1-million estate, and that isn't poverty, given to a wife doesn't attract a nickel worth of tax. I'm taking that figure of a $1-million estate deliberately because if you get down to estates of $300,000 or $400,000 the amounts of tax are paltry and insignificant, no matter to whom the money is going. I think I checked it out that if you have a $500,000-estate, which is going to an adult son or daughter, that the net rate of tax is something like six or seven per cent overall on that particular estate.

If you get a $1-million estate and it goes to an adult child, the tax is $225,000. In other words, $780,000 or thereabouts can go. The tax rate is 22 per cent and that is a tax rate which is rather lower than the tax which is paid by an income earner, earning about $12,000 or $13,000 a year. This is on a $1-million estate.

Mr. Breithaupt: Income tax has already been paid on that as you have gone along.

Mr. Cassidy: That may not be. We don't know where the money came from.

Mr. Breithaupt: Well it didn't grow on trees.

Mr. Cassidy: The point is that this is a wealth tax, it is a legitimate tax and the rate of tax is a very low tax. This is not on close relatives. This is on people who have been on their own for five, 10 or 20 years and, out of the blue, this money comes along. If it is a small business or a family farm special treatment is given, and we support it. If the money goes to a nephew, a niece, a grandnephew, a grandniece or some other collateral relative on a $1-million estate, the tax is all of $330,000, a 33 per cent rate, somewhat equivalent to the tax rate which is now charged on people earning $17,000 or $18,000 a year in this province. It is only if the estate goes to a complete stranger that the tax rates begin to be particularly substantial or important.

Not only that, but anybody who has $1 million in the kitty or tied up in assets or in a business or whatever or in stocks and bonds down on Bay Street clearly has access to high paid advice on how he can transfer that money between generations and attract the most limited amount of tax possible. There are many lawyers in this city who are making very substantial incomes providing exactly that kind of advice. I would have thought that maybe their incomes might even fall a bit because the loopholes have been made so big in this particular bill that you can drive a cart and four horses through them with no difficulty at all.

If somebody has a $1-million estate or anticipates a $1-million estate, then over the course of 13 or 14 years of prudent tax planning, without having to go into any kind of impossible dodges he can transfer every nickel of taxable estate out of his hands and into the hands of beneficiaries and there won't be any tax levied at all. That's how wide open the situation is now.

[12:15]

Mr. Breithaupt: All they have to do is live that long.

Hon. Mr. McKeough: And trust their relatives.

Mr. Cassidy: That's how wide open the situation is right now, Mr. Speaker.

Hon. Mr. McKeough: It's amazing how many don't.

Mr. Cassidy: That's true. Some don't and that's life. Mr. Speaker, I want to say in concluding—and I say this to the Liberal Party, to the Liberal House leader and to the Liberal finance critic—that there is a section in this bill which I think is very dangerous, and which I believe that the official opposition should carefully consider and that I hope they will agree with us not to permit to go forward. That's section 5 of the bill. I think I'd better try and find a copy of the bill and read it into the record. This is the section of the bill which authorizes retroactive regulations to be made by the Lieutenant Governor in Council, in other words, by the cabinet.

In my opinion, the right to make retroactive—

Mr. Breithaupt: Section 6.

Mr. Cassidy: Section 6. Can a copy of that be sent down to me please?

That effectively takes any control out of the Legislature's hands entirely. As I understand that particular section, the government will be given power to make regulations which could benefit one or two specific beneficiaries. Therefore, Mr. Speaker, I'm suggesting that the government may be open to doing political favours at enormous cost to the Treasury and enormous cost to the integrity of public life in the province.

The explanatory note to section 6 says as follows:

"Section 6—subsection 1. This amendment adds to the regulation-making power of the Lieutenant Governor in Council these things prescribed by the Act to be done by regulation." No problem there. "Provision is made for the form and manner of calculation to determine the credit against succession duty and the manner of election provided for in section 7a." That's the relief from the so-called double taxation. We don't agree with it, but all the same it's legitimate that that regulation power be added. "The regulations, if they so provide, will have retroactive effect. The provisions of section 6 are subject to passage of section 2 of this bill."

Section 6(3) is even more explicit, and I draw that to the attention of the Liberal representatives in the House: "A regulation, if it so provides, is effective with reference to a period before it was filed."

That, I think, is a very objectionable clause, Mr. Speaker. As I read it, that means that a regulation could be introduced and passed by the Lieutenant Governor in Council retroactive, not just to April 20, 1977, but retroactive to—

Hon. Mr. McKeough: That isn't the intent.

Mr. Cassidy: I hope that the minister will speak to it. If the intent is to simply—that isn't the intent? Will the minister agree that he will adjust the amendment in that way?

Hon. Mr. McKeough: Yes.

Mr. Cassidy: Yes. In that case, I don't need to go on. If it is the intent that the Treasurer will tend to this then that is

acceptable to us, but I would be very unhappy about the fact that this business of retroactive regulations has crept into several bills which are under the Treasurer's name or related to his budget and we will oppose it at every occasion. I thank the minister for his assurance, however, and will look forward to the bill to go into committee so that that change, if no other, can be made to it.

If I can repeat, Mr. Speaker, the Treasurer is opposed to any kind of a tax on wealth. We believe that a tax on wealth through the form of succession duty is a legitimate way of raising revenues in addition to taxes on current incomes and on profits. We believe that it's wrong to have retired from this field, to have failed to exercise leadership, to have failed to put pressure on the federal government to bring back a succession duty which is uniform across Canada. We think that Ontario is the poorer, not only in dollar terms but also in terms of the equity of our tax system, because of the fact that people who are quarter-millionaires or demi-millionaires, or who have estates much larger than that, bear paltry amounts of tax, which are ever decreasing thanks to the Treasurer, while ordinary working people are being driven to the wall by the combination of income tax, sales tax, property taxes, and all of the other taxes that they have to pay.

Thank you.

Mr. Deputy Speaker: Are there any other members who wish to speak to Bill 7? If not, the hon. Treasurer:

Hon. Mr. McKeough: Mr. Speaker, very briefly, in respect to the remarks of the member for London Centre, speaking generally, I would simply say that it is our view, on this side of the House, that a tax on wealth in the form of succession duties still has a place and a role to play in a balanced tax system. We attempt to achieve that. We cannot, however, be unmindful of the competitive nature of a provincial tax system from province to province, and for that matter with respect to states in the union.

Mr. Cassidy: You are very sensitive to Michigan and New York, aren't you?

Hon. Mr. McKeough: I think that in terms of a balanced system this tax, for the time being at any rate, has a place to play. How long we will be able to maintain that position—for the reasons which were described by the member for London Centre—is I suppose something which is debatable. I'm not surprised by the comments of either the member for Beaches-Woodbine or the member for Ottawa Centre. If I, as Treasurer, were opposed to any tax on wealth, and he has just indicated that I am, then I would do the obvious thing. I would do what Saskatchewan did and repeal succession duties. We have not done that in this province. The hon. member is talking sheer nonsense. He also talked sheer nonsense in his budget address, which he is still trying to squirm his way out of. He said, at that time, and I quote, in essence: "A party such as yours could get another $100 million out of succession duties, that's how you would finance some of your reforms."

I simply put on the record that if you take the succession duties of 1970, escalate them forward without any changes, you would come to about $150 million. Every reform that has been made in the succession duty area since 1970 has caused revenues. Every one of those reforms total, roughly on an escalated basis, about $100 million. You would undo every reform that has been done since we started in 1970 or 1971 reforming the succession duty legislation. Either that or you would, I suppose, leave the present Act in place and triple the rates. We reject that out of hand.

I think, at some point, the hon. member, instead of talking nonsense, should detail just how he would get another $100 million. Just where would it come from in the succession duty area? His bleatings about family farms are just a little bit hard to take. Does he know what a family farm is worth in this province? Has he any idea what he is talking about? How much support, by the way, did he get from farmers on June 9? That's an interesting speculation.

I'm getting worked up, Mr. Speaker. I thank the members for their comments on this bill. I make it very clear that section 6 of the bill is there to allow—and we are making a significant change, obviously—for credit against the capital gains tax. The forms are being worked out. There was a change, obviously, from the previous bill. I'm not sure that the language is 100 per cent perfect even now, and that's why we have allowed the Minister of Revenue the discretion which is there in section 6. But, certainly, the intention of subsection 3 is only retroactive to April 20, which was when the whole bill came forward. If the members wish, we can put that amendment in.

Mr. Deputy Speaker: Is it the pleasure of the House that the motion for second reading carry?

Mr. Cassidy: No.

Mr. Deputy Speaker: All those in favour of the bill will please say "aye".

All those opposed will please say "nay". In my opinion the "ayes" have it.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, the 6th order.

Mr. Cassidy: Mr. Speaker, what are you ordering the bill for, please?

Hon. Mr. McKeough: I'm sorry; committee of the whole.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

House in committee on Bill 6, An Act to amend The Ontario Unconditional Grants Act, 1975.

Mr. Acting Chairman: Are there any comments, questions or amendments with respect to section 1? Are there any comments or questions with respect to any other sections of the bill? If so, which section?

Mr. Cassidy: I think we may have been responsible for putting the bill into committee. We have had some consultations among ourselves though, and decided that the points we wish to make on the bill were made during the second reading debate; so we have no comments on the other sections of the bill.

Mr. Acting Chairman: Are there any other comments with respect to any section in Bill 6? If not, shall the bill be reported?

Bill 6 reported.

SUCCESSION DUTY AMENDMENT ACT

House in committee on Bill 7, An Act to amend The Succession Duty Act.

Mr. Acting Chairman: Are there any questions or comments with respect to any sections in Bill 7? If so, which sections?

Mr. Cassidy: Mr. Chairman, I don't think it's necessary—

Mr. Acting Chairman: On section 1?

Mr. Cassidy: Yes, on section 1 then. I don't think it's necessary to comment on specific sections. We voted against the bill as a whole. However, we would like an amendment to be made to section 6(3) which was referred to just now and I hope that the Treasurer can prepare it. If not, I will be happy to.

Hon. Mr. McKeough: Someone is drafting something for me now. If you will just wait one second. I am going to move an amendment then, Mr. Chairman, to section 6.

Sections 1 to 5, inclusive, agreed to.

One section 6:

Mr. Cassidy: While the Treasurer is receiving that, I wonder if he could explain the marginal note to section 6 (1). It says in the third sentence: "The regulations if they so provide will have retroactive effect." I don't believe that's true of regulations generally unless there is a specific provision to allow them to be retroactive. Am I correct in understanding, or in hoping, that the marginal note is in error when it refers in those terms to section 6 (1)?

Hon. Mr. McKeough: I assume that means only if it is authorized by this bill and by this section. The regulation can have a retroactive—I am not a lawyer—a regulation can have a retroactive effect if it is authorized by this bill. The suggested wording is that section 6 (3) of the bill be deleted and the following subsection substituted therefor: "A regulation made under subsection 2 or 3 may be made retroactively to a date not earlier than the 20th day of April, 1977." Does that meet with your approval?

Mr. Acting Chairman: Any discussion?

Mr. Cassidy: Yes, Mr. Chairman, I am confused by that. "A regulation made under subsection 2 or 3"—I presume subsections 2 and 3 of section 6 of the bill.

[12:30]

Hon. Mr. McKeough: Yes.

Mr. Cassidy: But subsection 3 that is referred to is in subsection 3. I think you have got the numbering wrong there. Maybe you mean a regulation made under subsections 1 or 2.

Hon. Mr. McKeough: No. It's subsections 2 and 3 of the Act.

Mr. Cassidy: Could that be changed to say that, please?

Hon. Mr. McKeough: Yes.

Mr. Chairman: Is it agreed to include those words to read: "subsection 2 or 3 of the Act"? Any further comments?

Mr. Cassidy: I believe that's acceptable to us. I'm sorry I can't have a look at it, but I realize—

Hon. Mr. McKeough: My lawyers think it's clear as it is. Does this make it unclear? Perhaps we might pass it this way and legislative counsel, when they look at it, may do something.

Mr. Cassidy: I think they have the right to make minor amendments of that kind. That's fine.

Section 6, as amended, agreed to.

Sections 7 to 10, inclusive, agreed to.

Bill 7, as amended, reported.

On motion by Hon. Mr. McKeough, the committee of the whole House reported one bill with amendment and one bill without amendment.

THIRD READINGS

The following bills were given third reading on motion:

Bill 5, An Act to amend The Income Tax Act.

Bill 8, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Bill 9, An Act respecting the Registration of Venture Investment Corporations.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. McKeough moved third reading of Bill 10, An Act to amend The Tobacco Tax Act.

Mr. Cassidy: I want to make a couple of comments on the third reading of this bill, Mr. Speaker. My comments will be very brief.

I don't want to go back too much into the principle of this bill. I just want to point out, though, as Hansard doesn't record everything that happens in this House, that a very curious unspoken drama took place in the Legislature last night just before 10:30. These are the things that don't normally get into Hansard; they are what people do or don't do, and I thought the facts should be put on the record.

You will recall, Mr. Speaker, that during the course of the debate last night, the leader of the official opposition reiterated points that had been made during the course of the election campaign and reiterated his party's commitment that no tax in the province should be increased by more than eight per cent, by more than the anti-inflation guideline. He was severely attacked, and I don't want to go into that particular principle or debate again.

What is significant and was not recorded in Hansard is this: Despite repeated urgings by this party and by the government party, the Liberal Party refused to call a vote and were not prepared to stand up for their principles even to the point of dividing the House on The Tobacco Tax Act.

We had determined that as far as we were concerned this was a matter for the Liberals. If they wanted a vote that was up to them. We've indicated all along that we supported The Tobacco Tax Act. In fact, I've even suggested on a personal basis—not a party position—that maybe we should consider having an even greater increase in the tobacco tax. But the Liberal Party which had made this thing one of their three major campaign issues three days after we come back into the Legislature was not prepared to stand on their principles.

Mr. Deputy Speaker: Order.

Mr. Breithaupt: It had nothing to do with the bill. We were just trying to save you some time.

Mr. Deputy Speaker: Order, please.

Mr. Breithaupt: It had nothing to do with the bill. Hire a hall if you want to make a speech like that.

Mr. Deputy Speaker: Would the member for Ottawa Centre resume his seat? I felt that the hon. member for Ottawa Centre wished to refer to the bill before the House. At the moment I feel he is not stating any points particular to this bill. If he has anything further regarding the bill, I'd be glad to accept those comments.

Mr. Breithaupt: It's just a point of view.

Mr. Cassidy: I am talking about the principle of the bill and I'm talking about the failure of the Liberal Party to stand on their principles.

Mr. S. Smith: Come on! You are making a bigger fool of yourself every day.

Mr. Nixon: Come on now.

Mr. Cassidy: It's interesting that they did not take the step of sending the bill into committee either in order to put an amendment on the committee stage about the specific tax and bring about what they felt was a reasonable level of tax.

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: Those are the points I wanted to make, Mr. Speaker. Thank you for your attention.

Mr. Deputy Speaker: Order.

Mr. Cassidy: Why does the Liberal leader now sit?

Mr. S. Smith: Because it has nothing to do with the third reading of the bill.

Mr. Deputy Speaker: The Treasurer.

Hon. Mr. McKeough: On third reading of this bill, I would simply say that the member for Ottawa Centre was completely out of order. He repeated most of what I said last night and I was completely out of order last night.

Motion agreed to.

THIRD READINGS
(continued)

Bill 6, An Act to amend The Ontario Unconditional Grants Act, 1975.

Bill 7, An Act to amend The Succession Duty Act.

ONTARIO YOUTH EMPLOYMENT ACT

Mr. Jones, on behalf of Hon. Mr. McKeough, moved second reading of Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Mr. Speaker: Do you have any opening statement?

Mr. Jones: Yes, my opening statement will be brief. I don't think we need remind the House of the background that brought about this bill and the program thereof. It was contained as part of several programs that the government initiated in its budget and outlined therein the nature of the program. Given the urgency which has been discussed and confirmed, I think it's safe to say by all the parties in the House, the program has been going forward and with considerable success.

In short, for those members who may not have been here during the throne debate and during budget debate where it was touched upon, I would simply explain that it was an inducement for both the business community and the farming community of a $1 subsidy grant per hour for new jobs created for young people. As the Treasurer (Mr. McKeough) reported in his update of a couple of days ago to the House, we have somewhere in the order of 10,000 and better applications approved, creating some two jobs per application. We have tried to keep the administrative cost of the program to a minimum, working in concert with Manpower offices across the province. Young people are being found working in a whole host of programs, gaining very vital work experience, and training, disciplines, skills and contacts. We are very happy at this stage that the program has been well received by all sectors of employment in all parts of the province. We look forward to answering any questions members of the House may have at this time.

Mr. Peterson: I am happy to speak on this. We will support it, obviously. It is in place now and it has been stumbling along. Any other move at this point would be decidedly irresponsible. That is not to say by any stretch of the imagination that we would have created this kind of a program. We think in many respects it is a very superficial one. During the campaign, my leader talked at great length about the kind of programs we think are needed in this particular province, particularly at this time.

Mr. Cassidy: And they were pretty superficial too.

Mr. Cunningham: And you are an expert on that.

Mr. Peterson: You listen and you will learn something. We are very concerned about the numbers of young people coming onto the job market. The prospects are some 200,000 a year, approximately, over the next several years. These kind of short-term, make-work projects, in our judgement at least, don't necessarily go to the fundamental problems or go to the root of the problems.

The only way out of the kinds of problems we are into today is a fundamental reassessment of the private sector's role, and in particular the small business role and the small farmer and what they are doing in the economy. That is the area in which we would have put all our major emphasis and the major funds that have been allotted for job creation and work programs.

In May of this year there were some 134,000 unemployed young people between 15 and 24, that is about 12.9 per cent. Between 15 and 19, there were 57,000 unemployed, or 13.7 per cent. It is a very high number.

We understand the temptation that any government has in a crisis period—and this is a crisis period—to immediately go out and create some short-term job creation program and buy them off quickly; to do it with public works or to do it with an Experience '77 program.

I am not criticizing all of those things. I am just saying they are an easy temptation to get problems off your back quickly. To a large measure some of the programs were ill-conceived. I understand my colleague from Huron-Bruce (Mr. Gaunt) will have an amendment to assist the program as it currently sits.

This program, as it is presently conceived, opens itself to abuse. There is no question all of us as individual members of Parliament are aware of specific examples of abuse of this program already. It opens itself to cheating. It opens itself to the situation where a farmer needs help and the farm across the road needs help. One will hire the other's son and vice versa, and then they will go back and work for the other person. To the tune of some $40 a week or whatever they

will get some kind of bonus for that kind of thing.

It also only affects, by definition, new jobs. That is a very difficult one to determine. That opens it again for a great amount of abuse in these kinds of situations. Frankly it doesn't take care of some real problems where there are recurring kinds of jobs, since we had to operate under the haste the Treasurer did in these circumstances. Perhaps he had no other alternative than to draft this kind of a program, which as I said, we are going to support; but there is no question that it lays itself open for abuse.

The other problems, which we are aware of as individual members of Parliament here, concern cases where people who have permanent jobs, have been laid off and are being replaced by these temporary students. I don't know how widespread that is. I know it is not in the Act, but I am saying these kinds of things, in our collective judgement and the judgement of some individual members of our caucus, are going on and we are not very happy about that.

[12:45]

I'm not saying that goes to the root of the bill. I'm not saying that it's grounds for scrapping it. As a temporary, make-work, get-them-off-our-back program, it's not bad. But in all of the jobs the government is talking about this year, all of the jobs they are talking about in terms of students—some 45,000—all of them are temporary, 16-week, buy-them-off, get-rid-of-them-in-short-term programs. What we are going to end up with in the fall, when most of these jobs are finished, and next summer, on a recurring basis, is having to go back into the same kinds of programs perpetually. We really don't think it's the answer for a sensitive government, for a government that is committed to free enterprise as presumably they are across the street—because I can assure you we are here.

It is the private sector that needs assistance. I can tell you this, you can cure unemployment tomorrow; just hire everybody onto the public payroll.

An hon. member: They could even hire you, Mike.

Mr. Peterson: But that isn't the answer to the question. The answer is to stimulate the private sector.

To that end, my leader laid out a very comprehensive series of proposals during the campaign. We still think they are sound. We think they bear up to the scrutiny of time, and we think they are still operative. I must say we are very happy—

Mr. Cassidy: It's bad enough that he believes that David, but it's worse if you do.

Mr. Peterson: —with the reaction we had to those proposals during the campaign; not only from small businessmen, from farmers, but from observers of the scene saying this is the kind of program that we need. We know of lots of cases where a small businessman, with a little assistance, could hire somebody, not for 16 weeks but on a permanent basis. We know of lots of situations that are marginal, that can go one way or the other right now, that with a little help could start to assist on a highly decentralized basis, this serious unemployment problem that we are facing in this province. I say with some regret our prospects—

Mr. Cassidy: Why don't you name a few of those situations?

Mr. Peterson: —for the future look almost as grim as they are today.

Mr. McClellan: Elucidate.

Mr. Peterson: We don't see any immediate relief for that kind of thing.

Do you chaps to my left here have a point?

Mr. S. Smith: On the top of their heads, they do.

Mr. Cassidy: Why don't you elucidate, be specific?

An hon. member: How about $4 an hour?

Mr. Peterson: I just want to say that on one of the concerns we have, my colleague from Huron-Bruce will have an amendment dealing with how long the employer has to be in business previous to hiring someone under this program.

It is our belief, as a caucus, that there are some very worthwhile new ventures coming along, new farming operations, new business operations, that could use a hand in the short run. There is no reason we shouldn't be able to use this program to assist more recent businesses than those that have just been here for a year, in spite of all the definitional problems. Let me assure you had it been our prerogative, we would have taken a very much different approach, no question about that. And we will continue to fight for that; we will continue to fight for long-term stability in the private sector, we will continue to fight for long-term job creation. We will use all of our policies, all of our tax policies, all of our manpower strategies and everything, to make sure that these jobs created are not just on a temporary, 16-week basis.

To me that is the principal mistake in philosophy that the government has made. Having got us into this situation as a tem-

porary measure, we will support it. Anything else in my judgement at this particular time would be irresponsible. But let us not think that the very serious problems of unemployment, among young people particularly but among all sectors, are solved with these kinds of programs. If you see the figures go down a little bit in June, July, let that not give you any solace, don't think the problem has been solved. We will be back at it in September and October and next May and next June. The thinking is far more superficial than a government should provide, with your kind of resources and your kind of people, to assist in the development of programs.

With those few words, Mr. Speaker, I will sit down and say that we will pass the bill with the amendment that my colleague will be introducing. Thank you.

Mr. Charlton: I have a few short comments to make about this bill on youth employment. We find ourselves very disappointed that this is the only bill the government has presented that purports to deal directly with the employment problem. It's also rather questionable whether this bill does deal directly with the problem or not.

As the hon. member suggested, the temporary nature of the jobs created by the bill is not a satisfactory solution. But I think the problems and the loopholes in this bill go a little further than that. There is a distant possibility that this bill can create problems with permanent positions, jobs which have been temporarily vacated, whether through layoff or retirement or whatever the case. It may create a situation where these positions are not filled now, taking away the prospect of someone, unemployed for some period, having the immediate chance of a permanent job.

The temporary nature and approach of this bill also means that in cases where an employer had intended to create additional jobs for the summer period, that employer may use public funds which this government could be using in other areas to stimulate additional employment. That leaves a serious question about the effect of the bill.

As already mentioned, members have already heard stories about those people, mostly in the unorganized and minimum wage sector, who have been laid off, who have been replaced by students and youth—at a subsidy, under the prospects of this bill—and who have been told to come back at the end of September.

We understand the bill doesn't intend that this should happen, but as I understand it the applications for grants under this bill do not very clearly lay out the requirements or detail the past employment record of that particular employer, whether he has or hasn't laid off workers. It simply asks for a statement that he hasn't. This in itself is going to set up a problem and a headache in trying to follow up complaints to the government to clearly determine whether violations have occurred.

It is also very questionable whether or not any of these temporary jobs created by this bill will become permanent. There have been all kinds of figures thrown around since the bill was first raised in the spring session—anywhere from 25 per cent to 75 per cent. I have serious questions in my mind that any of these jobs will become permanent.

This bill does not deal effectively with the question of unemployment and employment. It doesn't provide a permanent approach or a clear economic approach to the unemployment problem. It's very clearly a stop-gap measure.

We wish very sincerely that the government, especially after the election and the electorate's view, obviously, that the policies of the government were not wholly acceptable, had taken some greater initiative to provide some new employment programs in the province of Ontario, and we seriously feel that although this bill will probably create some jobs for a short term in the province it really avoids the issue of jobs.

Mr. Speaker: Does any other hon. members wish to speak to this bill? The hon. member for Fort William.

Mr. Peterson: Your first maiden speech.

Mr. Hennessy: The member for Hamilton Mountain mentioned that he's not satisfied with the program put forward by the government and I think that, in all due respect, it's creating needed jobs and it's a lot better than what his party has recommended. They have recommended nothing, just a lot of criticism, which is very astute for them. They seem to be very aware that if you criticize, you may make some mileage. I think the concern of the youth is the concern of the members of this House, and I think it's a worthwhile program. At least it's a start. It goes in some direction. It's a possibility that these people who are working part-time may be full-time employees in a while if they prove their ability at the place they are working. I, as a member of this government, support it 100 per cent.

Mr. Speaker: Do any other members wish to speak?

Mr. Peterson: They will rest much easier knowing they have your support.

Mr. Speaker: The member for Huron-Bruce.

Mr. Gaunt: Mr. Speaker, may I make a few brief comments with respect to the bill. I think in general terms my colleague from London Centre has put the case for our party with respect to Bill 11.

Insofar as a few of the details are concerned, we have had from constituents and others some complaints with respect to the matter of a business having to be in business for a period of a year before the business qualifies under the terms of this legislation. I see the point, I see the rationale, I know what the ministry is trying to do; they're trying to avoid any business being set up solely for the purpose of taking advantage of the program, and I think the move to curb any abuses in that respect are commendable. I simply say to my friend from Mississauga North that if that were the case then I would certainly support him wholeheartedly. I think if a business is in business prior to the announcement of the program, then obviously the business is a legitimate one. The business being set up in the absence of any knowledge of this program should indicate to all and sundry that it wasn't being set up to take advantage of any provisions under the terms of this legislation.

That being the case, I suggest to my friend that if the business were in business a month prior to the announcement of this program, it should qualify under the provisions of the program. Put another way, it simply means that if the business were operating on March 19, it should qualify.

I'm going to move an amendment to that effect when we come to committee of the whole House and I would appreciate it if the parliamentary assistant would give that matter some thought. I know what he's trying to do and I know what the ministry is trying to do in curbing the abuses, but I simply put to the parliamentary assistant that if the business were going by March 19, and going on the basis that they had no knowledge of this program at all, I would suggest that it is a legitimate business and it wasn't set up in any way, shape or form to take advantage of this particular program.

I put that point to the parliamentary assistant and I hope that he will give it some thought in the interim between now and next Monday.

Mr. Speaker: Will there be any other hon. members wishing to speak to this bill before the parliamentary assistant replies?

Mr. Cooke: Yes.

Mr. Speaker: Would the hon. member care to move the adjournment of the debate?

Mr. Cooke moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House—and I should have mentioned this at an other point in our proceedings today—there's been an arrangement whereby we would call order number 23 on Monday in order to accommodate the Minister of Consumer and Commercial Relations (Mr. Handleman), who has to attend a conference. So first thing on Monday we'll call 23 to get that out of the way, then we'll go back and finish the debate on this item, Bill 11, and then carry on with the bill standing in the name of the Minister of Revenue (Mrs. Scrivener).

On motion by Hon. Mr. Welch, the House adjourned at 1 p.m.

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Afternoon Sitting

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

The House met at 2 p.m.

Prayers.

BOARD OF INTERNAL ECONOMY

Mr. Speaker: In accordance with section 82 (2) of The Legislative Assembly Act, I am today tabling a copy of an order in council naming the following hon. members as members of the Board of Internal Economy: Hon. Mr. Welch, Hon. Mr. Auld, Hon. Mr. Henderson, Mr. Meack, Mr. Breithaupt and Mr. Deans.

PRIVATE MEMBERS' PUBLIC BUSINESS

Mr. Speaker: In accordance with provisional order 36(e), the Clerk of the House has today conducted the ballot for precedence for the calling of private members' public business and has today laid a copy of the list on the table.

STATEMENTS BY THE MINISTRY

FIRE SAFETY IN JAILS

Hon. Mr. MacBeth: Mr. Speaker, I have the answer, by way of a statement, to a question asked of the Premier (Mr. Davis) in my absence in Ottawa on Tuesday of last week. The question was:

"In view of the large number of prisoners in Canada who have lost their lives over the past year while in prison, what investigations if any are being done with respect to safety features for prisoners in provincial penal institutions in the event of fire, and particularly in the older, district jails?"

The issue of fire safety raised by the member for Nipissing (Mr. Bolan) has always been a continuing concern of the staff of the Ministry of Correctional Services, and especially so in the older physical facilities which we have been replacing since assuming responsibility for them from counties and municipalities in 1968.

The three main areas of activity are: (1) rapid means of controlled egress from a facility in the event of fire; (2) staff training and development courses in the appropriate techniques; (3) as a result of recent experience, the physical provision of fire-retardant mattresses.

In terms of physical settings, our priority has been the former district and county jails of which the member speaks, together with all segregation and maximum-security areas in our more modern facilities from which egress could be difficult in the event of fire.

For example, the recently expressed concerns of the Toronto Fire Department in respect of the Toronto Jail have been complied with in almost all respects and we are working with the building committee to deal with its concerns as well.

More generally, throughout the province, whenever public institutions inspection panels report, their recommendations receive our immediate consideration. We invariably advise the sheriff in each location of what has been done to implement the PIP suggestions. Like the grand jury system before it, the public institutions inspection panel system is working very well. The panel members bring a necessary community perspective and make valuable recommendations. If, for any reason, a suggestion is impracticable, we tell the sheriff exactly why we believe it to be so.

After extensive research examination of mattress materials by the Ontario Research Foundation, we have adopted for use in our institutions a new type of fire-retardant mattress which we believe is constructed of the most effective fire-retardant materials available at present.

Meanwhile, private industry is working all out to deliver our initial orders for mattresses to our specifications. Distribution of these new cotton core mattresses has been evenly spread out throughout the province to maximum production capacity, and every provincial jail has now received its initial shipment of the new mattresses. Deliveries will be continuous, with segregation and maximum-security areas getting top priority, and with medium and minimum security facilities following in that order.

There are no padded cells anywhere in the facilities of the Ontario Ministry of Correctional Services, so that the question of replacing polyurethane wall materials has not arisen here.

It would not be in the public interest to fully describe to the Legislature the means we have adopted for the safe, rapid and efficient egress of inmates from our facilities in the event of fire, because to do so would involve serious security problems. The arrangements we have made represent a balance between individual and public safety—the optimum balance in each separate institution. No two institutions are alike in the precise arrangements we have made.

I'd also point out that we are subject to independent inspection by competent fire and police authorities in this area of our operations.

Staff training and development is proceeding apace, both in the field and at the ministry's regional and central staff training centre, with strong emphasis on the latest techniques and drills. Whenever incidents occur anywhere, there is a rapid and full exchange of information. Teaching and training materials and methods are exchanged and adapted as necessary to Ontario conditions.

At the field level, each institution is required to carry out a fire drill monthly, to have a fire equipment list available, to have a floor plan showing locations of all exits and fire equipment, together with the fire prevention and safety instructions.

In addition to the regular monthly fire drills, each institution must in future mount an additional fire drill during some of the frequent visits of our inspectors to our centres. These additional spontaneous drills are expected to contribute significantly to staff preparedness.

In all institutions, staff members are required to test and visually inspect the fire alarm system weekly, and the firefighting equipment monthly. Backing this up, the Ministry of Government Services or a contract agency inspects the alarms and equipment annually. The local fire department safety inspector is invited to inspect the facilities within his area annually. Ministry of Government Services property management branch safety officers also visit Ministry of Correctional Services facilities regularly. When they do, they also examine fire equipment along with general building safety, checking each piece of fire equipment to see that it is of the proper type and in the proper location, according to fire legislation and codes.

All institutions are required to have a fire safety and accident committee, which must meet monthly to review the institutional situation.

Finally, all our institutions are equiped with an MSA air mask for evacuation purposes. Each institution has implemented a staff training program in its use on an intensive and priority basis, in co-operation with the local fire department.

Co-operation with the local police and the fire department staff is quite close, with both groups going through our institutions for familiarization tours.

Even with all the precautions we have taken, members should recognize we are dealing with a volatile segment of the population, sometimes containing violent and unstable elements. We are taking every precaution and have expedited and enlarged our staff training in safety areas. I appreciate what my predecessors in this portfolio have done and I intend to continue to update and modernize our facilities and equipment as rapidly as is reasonably possible.

ROBARTS REPORT ON METRO

Hon. Mr. Davis: This morning the Hon. John Robarts—actually it was early this afternoon—was kind enough to present me with a copy of the report of the royal commission on Metropolitan Toronto. It is a sincere and signal pleasure for me to now table that report in this assembly. I might also point out to the members of the House that Mr. Robarts, together with learned counsel and the secretary of the committee, are in your gallery, Mr. Speaker, learned counsellor being Mr. Rohmer and secretary to the commission, Mr. Cameron.

Mr. Breithaupt: It would be nice to have him back.

Hon. Mr. Davis: It might be a good influence on the member for Kitchener.

Mr. Breithaupt: It could be.

Hon. Mr. Davis: It might be an improvement.

The report of this royal commission, copies of which are being given to the members, is of great significance, not only because of the important issues it addresses but because of the stature of its author. It is, I think, particularly fitting that John Robarts should be the author of a report on the government of one of North America's great cities. He began his career in this House in 1951 almost at the same time as the process which led to the establishment of Metropolitan Toronto was begun. As Premier 12 years later, he recognized that changes had occurred in Metro and that if Metro were to remain a world leader in urban government, it must adapt to those changes. He therefore commissioned Carl Goldenberg to review Metro, and it was Mr. Robarts who, after intensive public debate, introduced the legislation that resulted in the Metro government we have today.

I trust the House will indulge me if in tabling this report I take the time to set it in historical perspective. Metro has benefited from a system of local government unparalleled in any of the world's cities. It has been and continues to be a vital and flexible system of government meeting the challenges of unprecedented growth and change as they arise. The fact that the original structure of Metro was not cast in stone but was modified and reformed as the need arose speaks highly of the people elected to serve in Metro and of the system itself.

On April 15, 1953, Metro Toronto came into existence. It was detached from York county following an exhaustive examination of the problems of the urban and urbanizing area carried out by the late Dr. Lorne Cumming. It was a federation of the 13 southern municipalities in York county and was given the power to deal on an area-wide basis with the services associated with rapid physical development of the area. By 1957, a commission of inquiry was able to pronounce Metro "a sound and practical approach to an acceptable and workable solution." When viewed in relation to the choatic state of most major North American cities, this was indeed high praise for Metro.

By 1963, when Carl Goldenberg began his examination of Metro, the need for some change was becoming apparent. He endorsed the Metro system but suggested a refinement of it to reflect the greatly increased mobility of its residents and the resulting increased interdependence of its units. On January 1, 1967, Metro, as we know it today was brought into being.

Times have changed once more. The days of rapid growth having largely passed, we are now faced with managing our urban areas in very different conditions. In 1953 and again in 1967, the changes wrought in Metro were designed to provide the services a growing metropolis needs. Now we are more concerned with the definition of the political institutions themselves. Can our urban government be held to account for their decisions? Can they assess and set priorities for the use of their resources? Are they accessible and responsive?

I have not yet read his report but I know how much effort and thought Mr. Robarts, his staff and all those who have contributed to the study have put into these and other questions and I am confident that the report will provide us with a basis for continued progress. Metro has been a leader in its form of government and has provided lessons for other municipalities over the years. I am sure that Mr. Robarts' report will continue this trend and that the leaders of local governments in this province will look to his report as a reference as they seek answers to the governmental problems in their own areas.

[2:15]

In order that the report of the royal commission on Metropolitan Toronto can be thoroughly discussed by all interested parties before the province makes its decisions on it, the Treasurer has called for briefs and opinions to be submitted to him by October 30, 1977. I want to add my voice to this suggestion.

A great many people have an interest in the way Metro is governed, as witnessed by the interest generated by Mr. Robarts' study. It is incumbent upon all those people and groups to examine Mr. Robarts' views and let the government know of their reactions. These briefs will be studied carefully and I hope that by the spring of 1978 the province will be in a position to propose specific action on the Robarts report.

I know that this assembly will join me in thanking Mr. Robarts for his unstinting effort on this royal commission. It represents just one more example of his contribution to Canadian public life. While thanking him for his past service, I also want to wish him well on a proposed new and vital task.

If the press reports are correct, the Prime Minister of Canada has selected well in asking Mr. Robarts to advise him on those crucial matters related to Canada's future. His immense contribution to Canada over the years established him as a great Canadian statesman. No lesser man should be called upon to help bind this country together today.

In some respects, the task on which he is embarking is similar to the one just completed. He has evaluated the political institutions that make up Metro and proposed changes to meet the challenges of the next decade. On a much broader front he will now be doing the same for Canada and its political institutions.

Mr. Speaker, the Hon. John Robarts has devoted much of his life to public service and has served this province well. Indeed, he has already contributed greatly to Canada and to the Canadian Confederation. Mr. Robarts has faced many challenges. Perhaps the one he now confronts is the most critical of all. I can assure him of this assembly's support and encouragement in his new role.

ORAL QUESTIONS

OMB HEARINGS

Mr. S. Smith: I have a question of the Premier, Mr. Speaker. In view of the fact that the report brought down by Mr. Comay and now the report by the Hon. Mr. Robarts have both confirmed the kind of criticism that we have been making regarding the delays and high costs resulting from the Ontario Municipal Board approval process and both recommend a curtailment of the Ontario Municipal Board's powers, is he planning to move quickly to curtail the powers of that board, at least insofar as Metropolitan Toronto is concerned? If not, can he give us some indication as to what his intentions are in this regard?

Hon. Mr. Davis: Mr. Speaker, I haven't read the report nor have I discussed it with Mr. Robarts. The hon. Leader of the Opposition has questioned my colleague, the Attorney General (Mr. McMurtry), on two or three occasions regarding the situation in the city of Toronto and the present hearings of a specific bylaw—or series of bylaws, I'm not familiar with all the legal niceties.

The part that concerns me, though, about the general direction of the questions is perhaps a lack of understanding that the hearing really is partially related to those people who are seeking exemptions from the bylaw, or differences from the bylaw, and if one were to curtail the activities of the Ontario Municipal Board and if we were to say by some legislative process that the city of Toronto would have total responsibility for its own bylaws and official plan amendments without some review process whereby an individual property owner could appeal the bylaws being proposed, then I'm not just sure how this mechanism would work.

The part that I don't know that has emerged in some of these discussions is that a number of the job opportunities that we talk about in this House relate to those potential projects that certain people are seeking to have exempted from the bylaw. So, if we were to say, as a government, to the city of Toronto, "You can move ahead with that bylaw; it can go in place," that may free up certain jobs, but I would say to the Leader of the Opposition—I'm only guessing at this—I would think that there would be a number of significant potential projects where the job opportunities would be very great, which is really what the hearing is dealing with, and this is where the problem becomes somewhat complex.

While Comay has suggested and while there may be some suggestion in this report that one curtails the responsibilities of the OMB, I think all members of this House would be reluctant to establish a mechanism whereby a municipality, whether it's Toronto, Brampton or Hamilton, has the right by way of a bylaw of that municipality to move in and take away certain rights or impose certain bylaw restrictions on the member or me or anyone else as a property holder without some avenue of appeal.

That's what this hearing at the present time is all about and that's why the sometimes oversimplified suggestion that we just in some way in this House say to the city of Toronto "do away with the OMB hearing; your bylaw can stand in place," would in fact discourage some of the economic activity that in potential terms exists and may result because of these hearings. I can't prejudge what the OMB will say but that's the difficulty we face when people say restrict the activities of the OMB. What do you say to those people whose rights are being affected in that process?

Mr. S. Smith: By way of supplementary, having every appreciation for the fact that any move is fraught with difficulty in as much as there are some people who would like to see the OMB stay in place and some who wouldn't, the government has now had two reports. Could the Premier tell us whether he intends to move expeditiously on these two rather lengthy, expensive reports by two authorities, Mr. Comay and the Hon. Mr. Robarts, to weaken the power of the OMB? Shouldn't we be considering something along these lines either this session or very early in the next session of this Legislature?

Hon. Mr. Davis: I didn't hear in detail what the Minister of Housing (Mr. Rhodes) said about Mr. Comay's report. Certainly as a government we are going to be studying it.

I am not sure whether we are talking about weakening the powers of the board. I think that would be an unfortunate phrase to use. I think what everybody is seeking is a more expeditious way to deal with some of the things that come before the Ontario Municipal Board.

As I said in my statement, and I think the Treasurer has already indicated publicly, we are anxious to have submissions related to Mr. Robarts' report. I will certainly check out those portions of it relating to the function of the Ontario Municipal Board. But I just caution the Leader of the Opposition once again that, while a lot of people I talk to would like to see things change with respect to the Ontario Municipal Board, I am still very concerned about the rights

of people who can be affected by the municipalities without some avenue of appeal. I would think that the members opposite would share that concern.

Mr. Cassidy: Supplementary: In view of the drift of those two reports that have been cited, and in view of the statements just made by the Premier about respecting local opinions but also respecting their right of appeal, can the Premier explain why the cabinet has decided to order a rehearing and start the whole process off from scratch again of the Pinecrest-Queensway rezoning in the Ottawa area—

Hon. Mr. McKeough: That's not a supplementary.

Mr. Speaker: Order, please. We are going into a completely separate question, a different direction. That's a good question for later perhaps.

Mr. Cassidy: I believe this is germane, Mr. Speaker, if I could have an answer from the Premier.

Mr. Speaker: Order, please. No, I think we should just restrict ourselves to a supplementary to the original question.

Mr. Deans: Given that the Premier indicated that the report and all of the recommendations were far-reaching in their implications, and I agree with him, doesn't he feel it might be more appropriate to have the report sent to a committee of the Legislature in order that they could receive the submissions, not only from the affected Metropolitan Toronto areas but also from the rest of the province where that's applicable, and then have the Treasurer review the recommendations of the committee rather than have the recommendations go directly to the Treasurer?

Hon. Mr. Davis: I am only thinking out loud here. I think perhaps the procedure for this would be to have a proposed bill, which would be based upon Mr. Robarts' report, go to a standing committee of the Legislature. Certainly this would be a very workable and practical way of dealing with it at that time.

I think it is the responsibility of the government to assess this report, to come up with certain recommendations that would flow from it in the form of legislation and then have this legislation go to a standing committee where that committee then in turn can discuss the proposed legislation with those who have this interest, with the various municipalities. I hadn't anticipated this sort of a question but I think this really would be the practical way of approaching it.

Mr. Deans: Supplementary: Doesn't the Premier feel that since the submissions that are made are more likely to be centred in Metropolitan Toronto, since the report itself speaks specifically about Metropolitan Toronto, but since we all recognize that the implications of it are province-wide, it would be easier to have the submissions submitted to the Legislature, to a committee of the Legislature, and allow the Treasurer then to get both the submissions that are being submitted to the committee and the deliberations of the committee before him in order that he might bring forward some concrete recommendations, which he then has understood to have had some widespread, rather than some isolated, discussion? Further, would he agree that if he chooses not to go that route, at least he will table in the Legislature the submissions of the various groups that are interested, so that we can see them too?

Hon. Mr. Davis: Mr. Speaker, I would assume that the Treasurer would be quite prepared to make public whatever submissions are made to him by the municipalities, or whatever municipalities or groups react to it. I think it would be the understanding, of course, that whoever made a submission to the government made it clear to whoever receives that submission that they have no objection to having it made public.

I do point out to the hon. member that I am anxious for members of this House to have as much opportunity as possible to contribute on significant matters of this kind, but the responsibility for government, none the less, lies with the government; and I really think that from a practical standpoint it really is the government's responsibility to assess the report, receive the submissions and then make a proposal by way of a bill to the members of this House.

If the hon. member wishes to see the submissions—and I am sure there will be a number of them coming in—related to this report, I will discuss it with the Treasurer. My own initial reaction is that they probably will be released in their own local community at the same time as they are submitted here, and I see no reason why, by and large, they would not be made available to the members when they discuss whatever it is that the government proposes to the House.

Mrs. Campbell: A supplementary: In view of the fact that the Hon. Mr. Robarts, in answering questions at the press conference

stated that he had made certain assumptions based upon statements by the Premier and by the Treasurer, wouldn't it therefore be significantly better if the whole matter were referred, as suggested, to a committee of this Legislature, rather than to have it go to the Treasurer, in the light of that important statement?

Hon. Mr. Davis: Mr. Speaker, I can only think of one statement—there may have been others, of course—that I have made or the Treasurer has made as it relates to government policy generally. I know there was one, in a very brief discussion I had within the last half hour with the author of this very excellent report, that was a matter of government policy. If the member for St. George is saying that she has convinced the member for York Centre (Mr. Stong) that she would like to move, by way of an amendment when we bring in a bill, that the boundaries of Metro take in part of his riding, being in Markham, and add it to a municipality here in Metro, I think that is something she should sort out with that member himself.

I confess, I said some years ago and I have said it more recently, that from my standpoint, and I think the Treasurer said the same thing, we have established three regional governments around Metro. I can recall going back even further than that, Mr. Speaker. I think I said at one stage that as long as I am a member from the region of Peel, Metropolitan Toronto stops on its western borders wherever it is—I think I then included York—and also to the east. That's the only area, shall we say, of policy that I have mentioned. I repeat, I think Mr. Robarts sensed that his study was to relate to Metropolitan Toronto with its existing boundaries. I should alert the member for St. George that the member for York Centre feels very strongly that it should not go north. I can speak for the member for Brampton, and I think I can say for the members for Mississauga East (Mr. Gregory), Mississauga South (Mr. Kennedy) and Mississauga North (Mr. Jones), that they share that same sentiment.

Mr. Nixon: They say ready, aye ready.

Hon. Mr. Davis: That's right. No, they say it to me.

Mr. Cunningham: Supplementary: Given that it is going to be over three years before any of these recommendations will be implemented by way of legislation, does the Premier not find that to be a long and cumbersome period of time to respond to the problems that must exist in a local government structure?

[2:30]

Hon. Mr. Davis: I don't quite understand the question. I thought I indicated in the statement we hoped to have legislation in the spring of 1978. That, if my calendar is correct, is almost nine months which is a normal gestation period, I think, for anything of great significance, at least on this side of the House. I don't know about over there.

An hon. member: It's not quite enough for an elephant, but otherwise it's fine.

An hon. member: Give us twins.

Mr. Breithaupt: Better nine than five.

Hon. Mr. Davis: I can speak five times.

OHTB BUS LICENCE

Mr. S. Smith: I have a question which I hope will be equally pregnant with meaning for the Minister of Transportation and Communications. Can he tell us whether the findings of the Ontario Highway Transport Board concerning the Greyhound-Gray Coach matter has been submitted to cabinet? Bearing in mind his promise of April 19 that that report would eventually be made public, could he tell us when it will be made public and explain why it won't be made public the day he receives it?

Hon. Mr. Snow: I think there are a number of assumptions there, especially the last one. I understand the report is almost completed. The chairman has had a lengthy job in writing the report. I believe there were some 7,000 pages of transcript from the lengthy hearings. As I understand from him, the report is almost ready to go to the printers. As far as I'm concerned, as soon as the report is received back from the printers I'm prepared to make it public. As to the statement by the Leader of the Opposition as to why it won't be made public the day it is received, I really don't know what that means.

Mr. S. Smith: Supplementary: I may begin my question by reading from Hansard, April 19, when the minister said: "I can assure him the report will be made public, but I can't give him the assurance it will be made public the moment I receive it." What I want to know by way of supplementary is simply has he been in touch with the chairman of the board and indicated to him the fact that this delay is causing a severe loss for a publicly owned carrier each day that the report is delayed? Has he done anything to hurry up

this report which has been buried for a rather long time?

Hon. Mr. Snow: There was a somewhat detailed process that the different parties went through following the completion of the hearings. The counsel for Gray Coach had a certain period of time—I believe two weeks or some such period of time—to submit his wind-up to the hearings. He was given the option either to submit it at that time or his two weeks would start from the time the transcript was all complete, typed and ready. The counsel preferred to wait until the transcript was ready. Then he submitted his response, the opposition submitted their response and then he had five days to respond to that before the actual hearing was complete.

Since that time, the chairman has been considering these positions put forward by legal counsel for the two or three main parties to the hearing. As I just stated, the report, I understand, is in its final stages and will be going to the printer very shortly.

WILD RICE HARVESTING

Mr. Deans: I have a question for the Premier. What action does the Premier plan to take with regard to the concerns expressed by Mr. Kelly, the president of Grand Council Treaty No. 3, as they apply to a request by the Manomin Co-operative over the possibility of mechanical harvesters being used to harvest wild rice within the Treaty No. 3 jurisdiction?

Hon. Mr. Davis: I say to the House leader of the NDP that I will endeavour to get an answer for him to that question tomorrow. I can't give him an answer at the moment because I don't know the answer but I will get the answer.

Mr. Deans: Supplementary question: In order that the government can take into account all of the problem, has it received communication from Mr. Kelly, and is it aware that Mr. Kelly is vitally concerned that the individual who is going to use the mechanical harvester is out to exploit and rob the native peoples of the Treaty No. 3 area? Is the government also aware that such action will have a very detrimental effect on the economy of the Indian peoples in that area, who are accustomed to growing and harvesting the wild rice and that it is, in the main, the major part of their livelihood?

Hon. Mr. Davis: I am very aware of the dependence of the native people of that particular resource. As I said to the House leader, I will endeavour to get an answer to that question for him tomorrow.

RENFREW NURSING HOME

Mr. Deans: I have a question for the Minister of Health. Will the Minister of Health review the recent takeover of the Renfrew Nursing Home with an eye to determining two things: Whether the information I have—that there has been a drastic cutback in the number of employees as a result of the takeover—is true; and whether, as a result of that cutback, there is adequate staff provision to take care of the elderly in the nursing home? And, finally, a question which might be jointly shared by the Minister of Labour and the Minister of Health: Since those employees had been granted collective bargaining rights recently, just prior to the takeover, should some form of successor right be imposed to ensure that employees can't be fired? Some of them have been as the result of the sale and purchase of the home.

Hon. Mr. Timbrell: The latter part of the question should properly be addressed to my colleague, the Minister of Labour.

Mr. Deans: I understand that.

Hon. Mr. Timbrell: With regard to the standard of care, my colleague, the member for Lanark (Mr. Wiseman), my parliamentary assistant, had a call on Saturday, I believe, from the member for Renfrew South (Mr. Yakabuski) who expressed concern about the difficulties at that particular nursing home. My parliamentary assistant arranged to have an inspector visit the home yesterday. He reports that everything in the regulations is being met as far as the standard of care, food, staffing and so forth is concerned, but to be doubly sure the supervisor for eastern Ontario is going there today.

I will report back once we have all the reports, both from the inspector's visit yesterday and the supervisor's visit today.

Mr. Speaker: Is the hon. minister referring the latter part of the question to another minister?

Hon. B. Stephenson: Mr. Speaker, there is no answer to the question at the moment. CUPE was the union certified for the full-time employees within that nursing home on May 27 of this year, but the part-time unit's application was dismissed by the Ontario Labour Relations Board.

The takeover apparently occurred during the hearings before the board. I am not really sure what has transpired as a result of this.

At any rate, I do know that there is a single application before the hospital's arbitration committee, regarding one employee who was "unfairly discharged"—as he is alleged to have said. That is being investi-

gated at the moment. I am not precisely sure what the status of the contract negotiations is, but we have the division of mediation and conciliation investigating this situation right now.

Mr. Deans: Supplementary question to the Minister of Health: Would the minister investigate, or have investigated when the chief inspector looks into it, the suggestion that they have now reduced the number of staff from 43 to 28, and to make a determination as to how it can be that if it previously required 43 people to comply with the Act and provide the level of necessary care how can they now get by with 28?

Hon. Mr. Timbrell: The hon. member posing the question really bases it on certain assumptions. I'll wait for the reports. As I say, the report I had this morning, via my parliamentary assistant, was that in the opinion of the inspector the home was meeting the requirements of the Act and its regulations. But I think it would really be proper for us to wait for both reports to come in and then make an assessment ourselves.

Mr. Deans: Will you make that public?

Mr. Speaker: Final supplementary on this.

Mr. Mackenzie: I am wondering if the Minister of Labour, in her response to part of the question, could indicate whether we can expect some kind of successor rights legislation to cover situations like this in the new labour omnibus bill?

Hon. B. Stephenson: I am happy to hear that we are having a new labour omnibus bill. To my knowledge we are having an omnibus health and safety Act, but no labour omnibus bill that I am aware of.

There are successor rights presently protected within the Ontario Labour Relations Act. The extension to a first bargaining situation is something which has been requested in the past. It is a problem which we are examining at the moment.

WCB CLAIMS

Mr. Mancini: Mr. Speaker, I have a question of the Minister of Labour. I wonder if the minister would undertake to make it mandatory for the Workmen's Compensation Board to notify all injured workers who after eight weeks of making a claim have not received a ruling as to why they have not received a ruling and when they could receive a ruling?

Hon. B. Stephenson: Mr. Speaker, I would if I could, ask the hon. member whether he is talking about a claim or an appeal on a pension, or just precisely what it is he is talking about?

Mr. Mancini: Mr. Speaker, I said the word "claim" three times. I would ask the minister if she would make it mandatory for the board to notify all injured workers who after eight weeks of making a claim have not been notified by the board as to why they have not had a ruling?

Hon. B. Stephenson: I would gather that it's a medical assistance claim or a compensation claim based on an injury, rather than a pension that the hon. member is speaking about.

Mr. Speaker, we attempt very vigorously to ensure that all such claims are dealt with as expeditiously as possible. If there are instances in which it is taking that length of time to notify the individual workman that problems have arisen and no payment is forthcoming, then I shall most certainly take the suggestion of the hon. member under advisement.

SAFETY IN WORK PLACE

Mr. Mackenzie: I have a question of the Minister of Labour. Is the minister aware that a major stumbling block in the negotiations of Local 326 Brewery Workers, in the provincial jurisdiction is the question of the safety and health of their members, and that a majority of the injuries that occur in that local are on deliveries to hotels not within the jurisdiction of Brewers' Warehousing itself, and they are not covered under Bill 139? I'm wondering if there is a chance that we can see this particular loophole in the law plugged so that safety on the job, and not necessarily where you are, is the criterion?

Hon. B. Stephenson: I am aware that the employees of Brewers' Warehousing have made that specific information available to us, and it is a matter which we are examining in the drafting of the new health and safety legislation. There are many work places in Ontario which are not covered by the present Bill 139 or other Acts which apply to occupational health and safety, and it is our intention, and has been our intention, to examine each of those work places to see whether they are appropriate for inclusion under the Act.

TOURISM

Mr. Eakins: I have a question of the Minister of Industry and Tourism. Given the impression that he left this House with last week, that he as the minister would be

content just to maintain a market position in tourism equal to last year's, which was a disastrous year for tourism in Ontario, can the minister offer any explanation for the drop in visitors to Ontario from outside of Canada for the first quarter of this year, which is down a further eight per cent over the first quarter of 1976?

Hon. Mr. Bennett: I don't think there is any question about it that Ontario does not stand alone in the slump that we've experienced in the tourist market. Obviously there has been a reduced amount of disposable income put aside for the purpose of travelling. Even with Ontario's good advertising program in the United States, and indeed in other parts of this country, we have not been successful in luring into this province an increased number of tourists, any more than they have into a great number of states in the United States—

Mr. Nixon: Who has that advertising contract?

Hon. Mr. Bennett: This past weekend and over the past couple of weeks it appears that there has been a change in direction and that the volume of American tourists coming into this province in the last period of time appears to be on the increase, exactly what we have been working for—higher spending by tourists in the province.

Mr. Eakins: Supplementary: In the light of the minister's reply to a question last week on the decreasing number of visitors to Ontario, when he stated that the situation has been supplemented in its numbers by Ontarians staying at home for their holidays, is he aware that in the first quarter of this year, the number of Ontarians choosing to travel outside of Canada has, in contrast to his statement, increased and that the average increase since 1974 has been 8.5 per cent? Is the ministry doing anything to encourage people now residing in the province also to vacation here?

[2.45]

Hon. Mr. Bennett: We certainly are. We've been encouraging the tourist promoters, hotels, motels and other people associated with the tourist industry to put together more packages. If one reads the statistics about Ontarians going out of the province in the first quarter of the year—and I trust the members all realize there happens to be a climatic condition in this province that does not really present quite as favourable an opportunity as it does in other parts of this North American continent—

Mr. Riddell: No, tell us about it.

Hon. Mr. Bennett: As a result, the prices in some parts of the United States are less than they happen to be in Ontario.

Mr. S. Smith: What about all the cabinet ministers going abroad?

Hon. Mr. Bennett: That we all recognize. We've listened to the third party talk about what it would do to stimulate traffic in the tourist industry by going to a $4 minimum wage position, which would be an even further disaster for the problem we have in this province.

Mr. Foulds: We could certainly reduce the minister's salary to that.

Mr. Warner: Give him what he is worth—nothing.

Hon. Mr. Bennett: Let me tell you, Mr. Speaker, that we can learn by the experience of the American market in putting packages together to lure tourists into the particular area where you wish to have them. Ontario has been doing a rather successful marketing job. I think the way the tourist industry has responded to putting package deals together means we'll see a marked improvement in tourist traffic in the second and third quarters of this year.

DISABILITY PENSIONS

Mr. Swart: I have a two-part question to the Minister of Community and Social Services relative to recipients of disability pensions. First, I would like to ask if he is going to permit income earned by disabled persons above the pension level plus the $60 to be deducted from the pension payable at 50 per cent rather than the 75 per cent, as recommended by his Advisory Council on the Physically Handicapped. Secondly, recognizing that in reply to my previous question to allow Workmen's Compensation Board disability payments as earned income so they might also be able to retain some income over and above the limited amount that is paid to them, the minister's reply to that was "no," because the federal government didn't permit it, will he be making an approach to the federal government to change that policy?

Hon. Mr. Norton: Both of those matters are under consideration by the ministry at the present time and I will report to the hon. member as soon as I have something further to say on the subject.

Mr. Swart: Supplementary: In view of the fact that this policy has been in force now for several years, doesn't the minister think there is need for some special consideration with regard to these groups that at this time

might require the provincial government at least to allow its share, even though the federal government wouldn't permit it?

Hon. Mr. Norton: I'm sorry, Mr. Speaker, I'm not sure what the member is suggesting. If he is suggesting that the provincial government proceed on a non-cost-shared basis in this particular area, then obviously I suppose that's one option that may be open to us. But I'm not prepared, without further consideration of the matter, to make any specific commitment to him at this time. I would point out to the hon. member that although this policy and agreement between the federal and provincial governments has been in place for a number of years, I haven't, so please give me an opportunity to look into it a little further.

Mr. Deans: That's how you happen to avoid responsibilities: change ministers.

PCB SPILL

Mr. Bradley: A question for the Minister of the Environment: In the light of the fact that a leakage of polychlorinated biphenyls, better know as PCBs—highly toxic, cancer-causing and difficult-to-eliminate chemicals—occurred in the city of St. Catharines on June 29, would the minister assure the House that his ministry will take immediate steps to require that all containers transporting polychlorinated biphenyls be lined with protective material designed to prevent leakage?

Hon. Mr. Kerr: Mr. Speaker, trucks or transports hauling PCBs are expected to have special safety equipment so that in the event they are involved in an accident, such as happened in the St. Catharines area, there won't be the type of spill that apparently occurred. I will look into that aspect of the hon. member's question. I understand the cleanup has been successful and there hasn't been any extra contamination as a result of that spill.

Mr. Bradley: Supplementary: Since the cost and inconvenience of the cleanup that occurred because of this spill is a hardship on the particular community involved, is the minister prepared to assist by means of his ministry in the financial aspect of this?

Hon. Mr. Kerr: In a spill of this kind, Mr. Speaker, the company that is responsible for the spill is expected to compensate the municipality in the event the municipality is put to that expense.

Mr. Reed: Does my memory serve me correctly or did the minister not make a statement in this House about a year ago declaring that he was outlawing the sale and distribution and manufacture of PCBs in Ontario? Why are they still being transported within the province?

Hon. Mr. Kerr: The member's question was that there was material containing PCBs —I believe that was the hon. member's question. I'm not sure where, in fact, the truck was going but I assume that it was for some type of disposal.

Mr. Speaker: Final supplementary, the member for Niagara Falls.

Mr. Kerrio: Is the minister aware that in that cleanup in St. Catharines the authorities spread sand on it and fired it and that it's accepted that you cannot destroy the polychlorinated biphenyls until you fire them to 2,500 degrees in a kiln? I wonder if the minister wouldn't take it upon himself to direct those people who are responsible for cleanups of this nature as to how to dispose of the polychlorinated biphenyls?

Hon. Mr. Kerr: The hon. member is talking about destroying PCBs in furnaces—in some sort of a contained area. It's difficult to do it in that manner where there is a spill on the highway.

Our information is that the method they use is the safest and possibly the only method that is known to our people. Not only is there a cleanup but there is constant monitoring after that cleanup takes place to make sure that there is no contamination of the surrounding area. The soil will be monitored to see that, in fact, the cleanup has been successful. But I will take the hon. member's suggestion under advisement and discuss it with my people.

Mr. Speaker: The hon. member for Welland-Thorold. Is this a supplementary?

Mr. Swart: Yes.

Mr. Speaker: We'll allow this final, final supplementary on this one.

Mr. Swart: I would like to put the question to the minister: If I understood him correctly, he said that they expected the trucking company to have equipment that wouldn't leak. Could he tell us what specific rules there are and regulations with regard to equipment handling these very toxic chemicals?

Hon. Mr. Kerr: My information is that it is a type of transport that is used in the transport of any type of hazardous material. It is contained, and it has certain extra safety devices in the event that the truck is involved in an accident so that it won't, for example, be easily damaged in such a way that there would be a spill—

Mr. Foulds: But you don't have standards.

Hon. Mr. Kerr: Naturally this would depend to a great extent on the degree of damage. For example there was a truck in northern Ontario that was hit by a train and it's pretty difficult not to have some type of spill from a situation such as that. But in normal conditions when there is an accident in which the truck turns over, it is supposed to be able to survive that type of accident much more than an ordinary vehicle not having this extraordinary requirement as to hazardous material.

I will be happy to get more details for the hon. member that would indicate the type of transport and the type of enclosure required for this and other types of material.

MACLAREN HOUSE NURSING HOME

Ms. Gigantes: Mr. Speaker, I have a question for the Minister of Health: I would like to know if the minister can explain to this House why his ministry is permitting the continued operation of Maclaren House Nursing Home as a licensed nursing home under new ownership, when Maclaren House has never met the standards established in The Nursing Home Act amendments of 1972?

Hon. Mr. Timbrell: When Maclaren House was sold recently to a Mr. Bordo, one of the requirements of the transfer of the licence was that the present facility, which is as the hon. member says not up to the standards of the 1972 Act, be replaced. We are presently reviewing plans for its replacement.

Ms. Gigantes: Supplementary, Mr. Speaker: Can the minister explain to the House why all requests to the ministry for information about the future of Maclaren House and another residence, Bellevue Residence, also owned by Mr. Bordo, are met with advice to call the new owner, Mr. Bordo? I'd like to know, in other words, why the ministry continues to leave the major responsibility for planning adequate services for elderly in the Ottawa-Carleton area in the hands of an individual businessman?

Hon. Mr. Timbrell: Mr. Speaker, that last assertion is completely erroneous. If the hon. member had ever taken the trouble to phone my office, I would have given her whatever information she required.

Mr. Deans: Why should she have to?

Mr. Cassidy: Why should she have to?

Hon. Mr. Timbrell: The point of the question is that when the facility came up for sale our staff in the inspection branch met with the prospective purchasers and made it clear that, if they were to go through with the purchase, they would have to either bring the facility up to the standards of the 1972 Act or replace it. The sale went through and they are required to replace it. They have filed with our staff, and our staff are reviewing plans for a new facility, at the site of the Bellevue House I believe, to house the people presently in the Maclaren facility.

Mr. Speaker: One final supplementary. The member for Carleton East.

Ms. Gigantes: I'd like to ask the minister why, when I've done all I was told to do by the top officials of his ministry, that is get in touch with the new owner, not even he could describe what the new plans for those residences were going to be? Doesn't he consider it a kind of inadequate planning service to have a situation where a man controls three nursing homes of the 17 in the Ottawa area within a 40-mile radius but—

Mr. Speaker: Order, please. I think the question's been asked. It's almost a repetition of the second one.

Ms. Gigantes: —ministry officials can't explain what the plans are for these residences?

Hon. Mr. Timbrell: The hon. member, as is the style of that party, takes a wide brush and smears all of my staff. That's typical of her party.

Mr. Renwick: That's not so. You don't like being questioned, that's the trouble.

Hon. Mr. Timbrell: The member for Riverdale should get off his perch.

Mr. Renwick: I have known the minister a long time and he doesn't like being questioned.

Hon. Mr. Timbrell: If one of my staff has made a mistake or has not given sufficient information, which is readily available, then if the member will let me know who it is then I'll make sure that it's investigated. If they are at fault they'll be reprimanded. But don't try to smear the whole Ministry of Health. If the member has a complaint with an individual, let me know who it is, and let me look into it.

Mr. Warner: The complaint is with you.

RESPIRATORY PROBLEMS

Mr. B. Newman: I have a question of the Ministry of Health. In view of the recent findings of the report of the Essex County Lung Association indicating that the incidence of all serious respiratory problems, such as asthma, pneumonia and bronchitis, was consistently greater among 50 children tested in the city of Windsor than it was among 50 tested of the same age category and grade category in the city of London, is the minister prepared to implement a fairly

substantial and systematic large-scale investigation of the possibility that air pollution may be responsible for the problems associated with the Windsor children as opposed to the London children?

Hon. Mr. Timbrell: I'll wait until I have seen the report. I haven't seen it yet, but I'll find out where it is and review it.

MERCURY POLLUTION

Mr. Foulds: I have a question of the Minister of the Environment. What steps is his ministry taking in view of the research of John Wood of the Fresh Water Biological Institute of Minneapolis that positively indicates mercury pollution can be traced directly to coal-burning power plants? What steps is his ministry taking to see if unexplained mercury-contamination of many lakes in northern Ontario may be contamination by ambient vapourized mercury particles from coal-fired stations in the US and perhaps from Nanticoke?

Hon. Mr. Kerr: As the hon. member now knows, there are a number of lakes in Ontario generally, as well as northern Ontario, where there is no known source of mercury contamination. There is a theory that some of it may be by way of emissions that are airborne from as much as 200 or 300 miles away. We have a group of people who have been working since last year, particularly in the recreational lakes, Lake Simcoe and the Muskokas as well as northern Ontario, to see whether air emissions of that kind from anywhere on the northeastern seaboard may be responsible for the high levels of mercury in some fish.

That includes all types of Hydro generating stations as well as the known or conventional industries such as Inco, Falconbridge, the steel industries, and industries of that kind where there would be a high degree of emissions over a wide area. Hopefully, we will be able to arrive at some conclusions.

I'm not completely satisfied that a lot of this mercury we're finding is necessarily from natural rock formation. I think it is from some other man-made source and that's why we are following up on that. But we are told by the experts that some of these emissions may be coming from as far as 300 and 400 miles away, and therefore the problem would be international in some cases.

[3:00]

Mr. Foulds: Supplementary, Mr. Speaker, if I may: If the indications are of a positive nature, what action is the government willing to take or to contemplate with regard to the treaty of 1909 that set up the International Joint Commission, and which specifically agrees to a prohibition of transboundary shipments of pollution? Is the minister's team specifically looking at the research that is already published from the Fresh Water Biological Institute in Minneapolis?

Hon. Mr. Kerr: I would assume they are. I must say frankly I don't know if our people are aware of or have looked at that specific study. I would hope there's enough continuous communication between people in this field that they are aware of it. Certainly it is the subject of continuous conversation and discussion at all International Joint Commission meetings, as well as committees of the IJC, the Great Lakes commission, and other such bodies that are concerned about trans-boundary pollution, and of course concerned about the condition of some of our fish as far as PCBs, mercury and mirex are concerned.

Mr. Foulds: Supplementary, Mr. Speaker: Can the minister inform the House what effect his statements today will have and what communications he will have with the Minister of Energy (Mr. J. A. Taylor) with regard to Ontario Hydro's development of thermal, coal-fired plants at Marmion Lake and the expansion at Thunder Bay?

Hon. Mr. Kerr: Mr. Speaker, I don't want the hon. member to come to some conclusion I don't intend him to make. All I am saying is that because of the inability to pinpoint the source of mercury in many of our lakes, we are looking at all possible sources. I am not saying that a coal-fired generating station may be a source, or an oil-fired generating station may be a source, but we are looking at these in order to have a complete inventory of any possibility of mercury contamination.

LOTTERIES

Mr. Kerrio: Mr. Speaker, I would direct this question to the Premier because the Minister of Culture and Recreation (Mr. Welch) isn't here. It's rather significant and I would like to ask the Premier if he is aware of the difficulty experienced in fund raising by many worthwhile charities and public service groups because of the competition from the provincial lotteries, specifically the muscular dystrophy and multiple sclerosis groups that are now having very great difficulty?

Hon. Mr. Davis: Mr. Speaker, I will ask the Minister of Culture and Recreation to get a detailed response for the hon. mem-

ber for tomorrow. He is not very far away. There have been representations made to me, to other members of the government, and I am sure to some members opposite, with respect to some volunteer organizations and their difficulty in finding ways to raise funds.

I guess the counter-argument, which we have discussed in this House on many occasions, is fine, if the decision is for us to abandon the lottery field will that in turn solve the problem, secondly, does that then do something with respect to our own cultural and recreational programs here? A number of members opposite have participated in these discussions; and they have written supporting various applications. I think the member to the left of the member who asked the question has one or two in mind right now. I just say to the hon. member it is one of the difficulties—I see him smiling, he knows that I know—

Mr. Peterson: You know everything, Bill.

Hon. Mr. Davis: No, I don't; I wish I did.

Mr. Peterson: Yes, you do.

Hon. Mr. Davis: Unlike the member for London Centre, I haven't reached that point yet I am still trying. I work very hard, I am still trying. Anyway, I will get the Minister of Culture and Recreation to make a response. It has been raised with us by other organizations.

Mr. Peterson: May was a heavy month for Wintario.

Mr. Kerrio: Thank you, Mr. Premier. The Premier led me directly to my supplementary. Is the government prepared to assist such groups in providing much-needed funds for their various health, fitness and related community services if in fact we find that we have taken from them the ability to raise funds?

Hon. Mr. Davis: Mr. Speaker, I am prepared to try to help any group that has a worthwhile cause.

I give the hon. member a suggestion. Does he know what I did locally? I bought the first new Provincial Lottery ticket, but I didn't think it would be appropriate for me to keep that ticket because if I happened to win somebody across the House would say—

Mr. S. Smith: The Premier doesn't need the money anyway.

Hon. Mr. Davis: Anyway, I gave it to the local firemen who were running a telethon for muscular dystrophy.

Mr. Deans: That's not really a very adequate way, to have everyone buy a ticket and hand them out.

Hon. Mr. Davis: Unfortunately, that ticket wasn't drawn, so it didn't reap any rewards for them. But I am quite prepared, within the limits of our budget and government policy, to try and help any group that has a worthwhile cause. The hon. member knows all the limitations imposed upon us; certainly anything we would consider giving couldn't exceed eight or 10 per cent, or whatever limitations his leader would like to impose on all of us.

Mr. Renwick: Supplementary: What about the Riverdale New Democratic Party Riding Association?

Hon. B. Stephenson: Not very worthy.

Hon. Mr. Davis: I said any worthwhile organization. I don't think you can extend it that far.

An hon. member: It's for the needy, not the greedy.

Mr. S. Smith: They are not charitable but they are the handicapped.

As a final supplementary, would the Premier and the Minister of Culture and Recreation—when they are considering this—give serious consideration to the possibility of matching funds from Wintario Lottery and from the Provincial Lottery to go to some of these particularly worthwhile projects, and for that matter even to go to the united community appeals, inasmuch as there does seem to be evidence that the Wintario and other lotteries are cutting into the kind of collection these charities could otherwise make?

Hon. Mr. Davis: I am not sure the last part of that statement is right. I am not quarelling with the Leader of the Opposition. I would only make this general observation. I can, perhaps, understand Wintario cutting into those organizations that have traditionally run lotteries. But I would find it hard to understand that because we have Wintario, the Peel United Appeal is less successful. I think that would be a criticism that would reflect on all of us—if we were to reduce our contributions because there happened to be lotteries available.

I don't think the answer to that would be to increase the amount going from lotteries to the united appeal. I think the answer to that is, surely, to impress upon people that we do have an obligation to contribute to organizations such as that; and surely we don't offset that by some form of government grant to the lottery.

NURSES' DISPUTE

Mr. Warner: My question is for the Minister of Health, anticipating that he wants to respond to the question which was redirected to him on Wednesday last by the Minister of Labour, I might only add to that question that the proposal has since been supported by the Hon. John Robarts—

Mr. Speaker: Order, please—

Mr. Warner: Well the question is already in Hansard, but I will repeat it. Is the minister now ready to right the inequities of funding as it applies to the public health boards within the boroughs of Metropolitan Toronto, to raise the funding level from 25 per cent to 75 per cent; and is he now persuaded since Wednesday last—with the support of John Robarts behind me—that this should take place immediately?

Hon. Mr. Timbrell: I have always maintained, as has my predecessor, that we would wait to review the Robarts report on the provision of health care and then make a decision. Maybe you have read the report; I haven't even seen it yet.

POLICE COMMISSIONS

Mr. Epp: I have a question for the Solicitor General: Because various regional municipalities have requested the opportunity to appoint the majority of members to police commissions, and in view of the recommendation in the report of the Hon. John Robarts to give these responsibilities to Metropolitan council, would the minister consider bringing in legislation in the near future to give the added responsibility and autonomy to regional councils?

Hon. Mr. MacBeth: I still hope, sometime in the near future, to deal with The Police Act in a general sort of way.

The hon. member is asking specifically about regional governments. The original thought was that we would deal with regional governments after we dealt with the general municipalities concerning the structure of police commissions. However, I don't know how it happens that so many on the other side of the House seem to have seen the Robarts report; I have not seen it yet. I know we are under-privileged in many ways on this side, but as soon as I have had an opportunity of reading the report, it may be that this will change our priorities.

Mr. Makarchuk: Under-privileged to the extent of about seven members.

Mr. Epp: Mr. Speaker, I'd like to suggest that the minister could have been at the lock-up this morning to receive the information.

ORGANIZED CRIME

Ms. Bryden: Mr. Speaker, I have a question for the Attorney General. Is the Attorney General aware that the city of Toronto's report on places of amusement and the adult entertainment industry recommends that the province establish a royal commission to investigate the involvement of organized crime in the adult entertainment industry and asks for provincial enabling legislation to help the city to deal with the serious problems created by this industry and its possible connection with organized crime in the city of Toronto? Does he not think that an inquiry into organized crime would assist greatly in deciding on appropriate enabling legislation and action by the city?

Hon. Mr. McMurtry: Mr. Speaker, the answer to the first part of the question is yes; and to the second part, no.

INVERHURON PROVINCIAL PARK

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of Natural Resources. Would the minister indicate the ministry's view with respect to the removal of the last gas shelter at Inverhuron Provincial Park? Does this signal the closing of the park to public use?

Hon. F. S. Miller: Mr. Speaker, since I don't know the details the member is talking about, I'll check and answer later.

HYDRO CONTRACTS

Mr. Cassidy: A question of the Attorney General, Mr. Speaker. Did an official of the Attorney General's ministry become aware last spring of evidence suggesting that certain corporations sought improperly to influence the awarding of contracts by Ontario Hydro on its Madawaska and Douglas Point contracts? Did the official inform the minister, and if so, when?

Hon. Mr. McMurtry: I wonder if that first part of the question could be repeated? I didn't really understand it, Mr. Speaker.

Mr. Cassidy: Did an official of the Attorney General's ministry become aware last spring of evidence that suggested that certain corporations sought improperly to influence the awarding of contracts by Ontario Hydro on its Madawaska and Douglas Point contracts? Did the official inform the minister, and if so, when?

Hon. Mr. McMurtry: The answer to the question is no, Mr. Speaker.

Mr. Warner: He's full of information today.

Mr. Cassidy: Supplementary: Has the minister subsequently become aware of such evidence; and if so what actions did he take?

Hon. Mr. McMurtry: I'm not aware of any such evidence, Mr. Speaker.

PSI MIND DEVELOPMENT INSTITUTE

Mr. Sweeney: A question of the Minister of Health: Before this Legislature closed down prior to the election I asked a question as to the ministry's intentions with respect to the PSI Mind Development Institute. I have not yet received an answer from either the minister or any of his ministry officials. I understand that the Attorney General's office has become involved in some way, but we still don't know what's happening. Could the minister please advise us?

Hon. Mr. Timbrell: Mr. Speaker, this was made clear by my leader, the Premier, some weeks ago, that there is an investigation under way under the auspices of the Ministry of the Attorney General.

Mr. Breithaupt: Supplementary: Will the minister be able to present to the House before the summer adjournment a statement as to the progress so far or as to the intentions of the ministry with respect to this organization?

Hon. Mr. Timbrell: That should be redirected to the Attorney General, I think, Mr. Speaker.

Mr. Speaker: The hon. minister redirects it.

Hon. Mr. McMurtry: Mr. Speaker, I will attempt to provide the Legislature with a progress report as to how far the investigation has reached, within the obvious limitations that would be upon me considering the fact that it will probably be an ongoing investigation.

BECKER MILK DISPUTE

Mr. Warner: Mr. Speaker, I have a question for the Minister of Labour. Since she now knows, three months after it began, that the Becker Milk Company has no intention of bargaining in good faith nor negotiating in any way, what initiative is she going to use to make sure that both sides are at the bargaining table so that this dispute can be resolved?

Hon. B. Stephenson: Mr. Speaker, the division of mediation and conciliation has been working very diligently with both sides in this dispute for the past three months. If there are complaints of lack of bargaining in good faith, the parties to that dispute know that they can avail themselves of the Ontario Labour Relations Board—

Mr. Cassidy: They know how useless that is.

[3:15]

Hon. B. Stephenson: —and that indeed they can resolve that problem. I can promise the hon. member that the mediators within my ministry will continue to work as vigorously as they possibly can with both parties to try to resolve this.

Mr. Warner: Supplementary: Since the minister does not have any new initiatives to offer, would it seem reasonable to her that one method of getting Becker's to the bargaining table would be to ask the cabinet to cut off the flow of milk supply from the Milk Marketing Board to the Becker Milk Company; would she agree that that would ensure that Becker's would come to the table to negotiate?

Hon. B. Stephenson: It has always been my understanding that the members of the third party were in strong support of free collective bargaining. I am not sure that the kind of stipulations suggested by the hon. member would be a part of that kind of process.

PICKERING AIRPORT

Mr. S. Smith: A question of the Premier: I wonder if he could enlighten us as to the intentions of his government with regard to the at-the-moment-off but perhaps-to-be-on-again Pickering airport? I ask this question in light of the statement on Friday by the Minister of Housing (Mr. Rhodes) and the statement in March by the Minister of Transportation and Communications (Mr. Snow) that the Pickering airport is still very much alive in the government's thinking.

Hon. Mr. Davis: I am not sure they phrase it that way at all, really.

Mr. Peterson: Rephrase it your own way.

Hon. Mr. Davis: I will. I always endeavour to phrase it in my own way, if the member for London Centre will bear with me, the patient man that he is some days. As far as I am concerned the status quo exists with respect to the Pickering airport.

Mr. S. Smith: Now that he has put it so clearly in his own words could the Premier tell this House whether his government is seriously considering the building of that Pickering airport and the provision of the various services that are required? If not, can he explain the meaning of the statement by the Minister of Housing on Friday that said

there is "every possibility of considerable reconsideration taking place as relating to the airport"; and the statement in March by the Minister of Transportation and Communications that the airport might well be built following a study that is presently under way?

Hon. Mr. Davis: I really think the Minister of Housing as I recall his observations, was suggesting that we were awaiting, and this includes the government of Canada, the transportation study report. I don't think there was any other indication at all. We don't build the airport. It is the member's colleagues in Ottawa who would undertake this undertaking if they undertook it.

Mr. Conway: Remember your national unity call.

Hon. Mr. Davis: Oh no, we don't build airports.

Mr. Speaker: Please ignore the interjections.

Hon. Mr. Davis: We help in the northwest and we help in the north. We do build and help with some airstrips, but I have to tell the member that when it comes to the prior suggestion at Pickering we don't build that kind of airport, we don't build at Malton. The only point I want to make, speaking on behalf of my local riding, no matter what decisions are made somewhere down the road with respect to Pickering, we don't want to see any further runway expansion at Malton international.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Motions.

INTRODUCTION OF BILLS

PROCEEDINGS AGAINST THE CROWN AMENDMENT ACT

Mr. Kennedy moved first reading of Bill 33, An Act to amend The Proceedings Against the Crown Act.

Motion agreed to.

Mr. Kennedy: This bill is exactly the same as the one introduced at the final session of the 30th Legislature. The purpose is to clarify the law with respect to the right to garnishee the wages of a Crown employee, who is employed by a Crown agency and whose salary or wages are not paid from the consolidated revenue fund, by providing that a Crown agency is subject to garnishment proceedings.

ORDERS OF THE DAY

PERSONAL PROPERTY SECURITY AMENDMENT ACT

Hon. Mr. Handleman moved second reading of Bill 24, An Act to amend The Personal Property Security Act.

Hon. Mr. Handleman: Mr. Speaker, it is a very simple, straightforward bill designed to augment the personal property security system by enabling inquiry on the basis of the serial numbers of the property, whereas until now it has only been allowed by the name of the debtor.

Mr. Edighoffer: Mr. Speaker, I would like to make a very brief comment on Bill 24. This bill, of course, was introduced in the earlier session this year. In the meantime I checked with a number of legal people in my riding who deal to some extent with the personal property registration branch and they certainly feel that the change would allow persons easier access to the information and would lessen the complexity of conducting a search. Today we are certainly dealing with a sophisticated computerized system and we in this party certainly agree with the change.

Actually, this amendment changes section 44 of the Act by setting out more clearly that the person may search an individual debtor index, a business debtor index and a motor vehicle serial number index.

The only other comment I would like to make is that I just received on my desk the other day a report of the director of land registration for 1974-75-76, and I noticed in that report it was already recorded that this legislation would be in effect. So we in this party certainly wouldn't want to hinder it in any way.

I know the election delayed the legislation. We will support it, hopefully to streamline the registration and make it much more accessible to the public.

Mr. Renwick: Mr. Speaker, I just want to make a brief comment. Obviously this bill is simply a rationalization of the procedure under The Personal Property Security Act. We, therefore, would support it, because obviously when a person is making a search he should make the search under the particular record which is kept with respect to the matter which is being inquired into by the person requesting the search.

We, therefore, support the bill. We also agree with the provision that the bill will come into force on April 1, 1977, and we

see no need for the bill to go into committee.

Mr. Acting Speaker: Any further discussion on second reading of Bill 24? The hon. minister.

Hon. Mr. Handleman: Mr. Speaker, I just want to thank the spokesmen for the opposition in supporting this bill, and certainly I see no need for it to go to committee either. I think we are unanimous in support of the bill.

Mr. Cassidy: It doesn't mean we support you.

Hon. Mr. Handleman: You don't have to.

Mr. Kennedy: The people do.

Motion agreed to.

THIRD READING

The following bill was given third reading on motion:

Bill 24, An Act to amend The Personal Property Security Act.

ONTARIO YOUTH EMPLOYMENT ACT

(continued)

Resumption of the adjourned debate on the motion for second reading of Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Mr. Cooke: Mr. Speaker, I'd first of all like to say that I am very pleased to be part of this body and representing the riding that I do, Windsor-Riverside, a riding that has been represented for 10 years by the NDP and I am sure will be represented for many more years by our party.

I am especially pleased to be able to speak on this particular bill as I am probably the only member of the Legislature who fits into this age bracket. Our party supports the bill, but we support it reluctantly because we feel that something is better than nothing.

Quite frankly I'm very surprised at the very limited approach the government has taken to the youth unemployment problem, especially when one considers that 50 per cent of Ontario's unemployed people fall within this age bracket. As I recall in going through school myself, my parents, my teachers, everyone in our society, encouraged people in the 15-to-24 age bracket to go through school to get a good education. If we did this we were told we'd be guaranteed security in our society.

Now, in 1977 we see that this just is not true. We see now that many nurses in Ontario, and many teachers, are unemployed. We see the placements out of community colleges are down. Quite frankly, the situation is very critical in Ontario and our young people must be very dissatisfied. Younger people who do not have as much education, who have not graduated from community college or university, are in an even more desperate situation.

Let me give you an example from my practice as a social worker with the Children's Aid Society in Essex county. I was working with a 17-year-old boy who had been looking for a job. He had left school and was looking for a job for approximately one year and was unsuccessful. During that year he looked very diligently for a job, but pretty well gave up as there were just no jobs to find. During that year the boy got involved in drugs and alcohol, and he also got in trouble with the law by stealing a car. I think that's something that's very typical and that if the situation is not remedied very quickly the social problems and the ramifications are just horrendous.

I think anybody who criticizes the bill must come up with alternatives. I have one suggestion: In working with this 17-year-old and many other boys and girls in that age bracket, I found that many of them did not have the basic life skills or job searching techniques. I think it would be very important for a government to introduce a program that would teach people in this bracket how to look for a job, how to keep a job, and just basic life skills.

Secondly, I think it's very important that there be a job skills program that teaches students what they need to know so that their jobs match the market. Right now we are turning out teachers and nurses, as I have mentioned, and we just don't need them. If you follow the suggestion of our federal government, I guess they would just all go to another country; as our Prime Minister has said, maybe they can just leave Canada; that's not our position.

In summary, then, I think this program will do very little to solve the problem. I don't think there is any guarantee there will be 20,000 brand new jobs created from this program. In any case, even if there are 20,000, they're not long term jobs. They're jobs that will most likely disappear in the fall. So the jobs will be short-term; they won't solve the unemployment problem for our young people and they are not the approach that this government or this province should be taking. Thank you.

Mr. Nixon: I wanted to make a couple of brief comments on the program, since I've had a number of complaints from the agricultural community in my own constituency.

With the news of the program to assist in hiring additional help for summer employment, the first reaction was good, until the farmers concerned attempted to use it. In attempting to prove that the young people they were hiring were in addition to those they ordinarily would have hired, they found that that proof became practically impossible. The only place where it would apply was in instances where farmers had hired offshore help, usually Jamaican help, in the years previous and this year, instead of the offshore help being hired, because the federal policy is changing and these people are not being allowed to come into Canada for the harvest, they had an opportunity then to hire Canadian people to do the same jobs that were done by others the previous year.

[3:30]

Then, of course, they had a bona fide case in which they were hiring Canadians who were not hired previously and evidently the money was paid. But neighbours who had been hiring young Canadians last year or the year before were not eligible for assistance because the jobs were not new. It's an instance, it seems to me where the program had been established without sufficient thought. There have been other instances involving the farm community where it becomes obvious that it simply is impossible to apply it in any reasonable and meaningful way.

I wanted to quote briefly from a letter that appeared in the Windsor Star on June 21 under the Letters to the Editor column, entitled: "Youth Employment Program More Tory Window-Dressing?" Of course, I would leave you to answer that, Mr. Speaker, yourself. It was signed by Edith Woodbridge and Edwin Woodbridge. I want to quote briefly from it:

"Sir: We are perplexed about the government's Ontario Youth Employment Program. As potato growers and shippers, we applied for student harvest workers in various job descriptions even though the application forms seemed to be ambiguous. We were asked on the form if we had previously hired seasonal student workers and, of course, we had. Now we have received a phone call from a Mr. Ball and an associate who were trying to decide if we qualified to receive approval for this subsidy. After some discussion, they decided we did not qualify but they did not seem to have adequate answers for our questions."

Without reading the whole letter, I can simply read from the summary in their own letter.

"Our specific questions now are: How can a farmer create new harvest work of sufficient quantity to engage a person or persons in the above-described time blocks that has never been done by summer workers before? What farmer could replace himself with one or even six untrained students who know very little about farming? What farmer can afford to replace himself as a worker even at a subsidized rate? How can you give a job description of the many special tasks that a farmer does in a day, a week or a season? And finally, will the public even be given a list of those farmers who manage to qualify, along with a complete job description of the jobs filled?"

That's the end of my quote from the letter from Mr. and Mrs. Woodbridge. It's a well-written letter and I intend to send a copy of it to the hon. member who is looking after the legislation and applying the program.

I hope he has received other complaints from the farm community, because I feel the concept was a good one as far as stimulating employment in farm work is concerned, and providing at the same time some assistance to hard-pressed farmers who would like to employ young people locally but feel that under the circumstances they cannot manage the expense. I feel that if no changes can be made in the program for this present season, and I would hope certain changes could be made, that there can be an improvement in the situation so that it would be more useful in the agricultural community.

There are many young people who want jobs on the farm and if we can arrange the regulations and the application of the program to encourage that, certainly I, as a farmer myself and as an employer of young people in certain aspects of the harvest, would be very glad to assist.

The last point that I would like to make has to do with my own operation. The time when we employ young people on a per-hour basis is during the hay season and bringing in straw bales to put in the barn. It's rather haphazard as far as time blocks are concerned and if there were some convenient way whereby this assistance would be made available to farmers—not myself but to the farmers who operate in our area in this particular way—then I would be glad to give the benefit of my experience to the minister or anyone else who is looking for ways to amend the bill and the regulations to make it more useful.

Mr. Mackenzie: Mr. Speaker, I rise to support the bill, with a number of reservations. The bill itself seems to be extremely

vague and the situation with young people is serious enough that you're almost forced to support anything the minister brings forward that might provide jobs. But really, it is an ineffective, almost Mickey Mouse type of operation. The grants, as I read the bill, seem to be very strictly on application, and the control and enforcement are almost nonexistent. I don't see what kind of an investigative procedure the government will have to ensure there is not deliberate misuse of the program.

I can't see where the program will provide any permanent jobs for young people. It's a very temporary measure. The jobs are likely to be almost entirely at the lowest rate of pay, at the lowest pay level. There is almost no way I can perceive of this program leading to any real permanent employment or permanent jobs for young people. I have an uneasy feeling that the program is likely to amount to no more than a taxpayer subsidy to either marginal small businesses or to those well enough established to be able to pay their own way and with enough expertise to take advantage of every tax break that's possible.

There's really nothing in the bill that gives any incentive to the development of jobs that have any real purpose, either in a productive way or in a socially useful way. As a matter of fact, I suspect that there is more likelihood of it being used by smaller fly-by-night or non-productive operators than by legitimate businesses. I wonder how many pinball machine operators will be applying for help under this particular bill.

I want to say that the fear, and perception, of misuse is very real and I'm serious when I raise this in the House. I've had a number of complaints raised with me already and I'm not sure just how we go about investigating them. For example, self-service gas station operators in the city of Hamilton and restaurants in the city of Hamilton have laid off people working in most cases at the minimum wage and told them to come back at the end of September or early October; and the replacements are mostly students. The people who are coming into these places tell me that the people they're hiring are students. Whether or not they're getting the dollar-an-hour subsidy I'm not sure; but if they are, then it sounds to me very much of a ripoff. I just don't see what kind of a guarantee we have that such abuses won't exist; and what is the likelihood of prosecution in the event that they are? The possibility of success in a prosecution is probably even more of a question mark.

Surely there should be a more permanent and more productive approach to jobs for young people. Why didn't we take a look at this or why couldn't we? I don't think it requires an awful lot of ability to take a look at services to people and somehow gear the jobs to older or handicapped or mentally-retarded people. We know there is a problem in the reforestation area. Why couldn't we put more emphasis in this particular area and have young people's jobs in this particular field?

The environmental cleanup program is another area where we could have made some direct use of this kind of program and the jobs could have meant something. To business and service operators who provide real service, why not offer an ongoing incentive, for example, to provide those of dedication and proven effort with continuing employment at maybe better rates as they finish the initial period? Finally, why not also make provisions for the use of this kind of a program for one area that's caused me an awful lot of problems in my constituency that is those people with physical handicaps of a variety of natures, or epilepsy, who've gone through 60 or 70 job searches and still found nobody who would take a chance on them? Why couldn't we have used this kind of a program with some of the emphasis in that particular area?

Surely a subsidy bill should give hope to some of those in real need and in many cases it could provide surprisingly committed workers. I hope it provides a few jobs. I'm really wondering if we're not just switching jobs around in this particular bill. I'm amazed at the government's lack of ability to come up with a really good program that does recognize some of the needs and some of the socially useful jobs that could be placed out there to help people who could be placed in socially useful jobs.

Mr. Mancini: I am pleased to rise to speak on this bill, An Act to provide Employment Opportunities for Youth in Ontario. I would like to take this opportunity to say I'm very pleased that my colleague from Brant-Oxford-Norfolk (Mr. Nixon) read the letter in the Windsor Star as I believe the individuals who wrote that letter were from the great riding of Essex South. I also would take the opportunity to say there are many other farmers in my constituency who brought the same problems to my attention. If this type of program is going to be envisioned as any type of success at all on the farms, I hope the people in charge are going to take immediate action to make changes.

I also would like to mention that many of the individuals I know in the service industries, such as restaurants and take-out counters and other businesses of that sort, find it very difficult to use this program. I believe the reason is that due to the tourist season, which is a summer season, business in some sections of the towns and townships of my riding is on the increase and therefore they have to hire more staff, but not necessarily more staff than they had to hire the year before; or else they have had to lay off staff due to the tourist season being down. If we are ever going to support small businesses and if we are ever going to get serious about helping small businesses, I think that we are going to have to make our legislation tailored around the needs of these individuals I have mentioned.

I also would like to say I have had some of the same problems brought to my attention by the people who operate golf courses. I just wonder whether more consideration could be given to them.

Mr. McClellan: Mr. Speaker, I too want to make a few brief comments on this bill, which previous speakers from our party have indicated we intend to support, but we support it I think rather grudgingly because it is so meagre and inadequate.

Times have changed so dramatically in such a short period of time. When I graduated from school in the mid-sixties we went into a veritable cornucopia of jobs. Jobs abounded for young people in this province. It was only five years later that the first emergency job-creation program for young people was brought into effect by the federal government—the LIP program. The situation had changed that dramatically in that short period of time. Today, six years after that, we are into what you could call YEP, son of LIP, another temporary and in many respects irrelevant job-creation program.

The tragedy of youth unemployment is not going to be solved by LIP-type programs or YEP-type programs or any other short-term emergency ad hoc programs. The problem of youth unemployment is not going to be addressed until we begin as provincial and federal governments to address ourselves to the real structural problems of the Canadian economy; until we begin to deal with branch plantism and continentalism; until we deal with the very real facts of the withering of Ontario's manufacturing industry; until we deal with the folly of our resource management policies which consign us to be hewers of wood and drawers of water for the advanced industrial economies in other parts of the world. Until we address ourselves to those problems, we are not going to be able to provide jobs for our own young people.

This isn't the time to get into a full-scale debate about that whole set of concerns. But it needs to be said, or at least alluded to, because that's the issue and that's the question that this bill or any other temporary job-creation program fails to address itself to.

I have some very specific concerns that I want to touch on in relation to accountability. Other speakers have expressed the apprehension and anxiety that this scheme, rather than leading to creation of new jobs, will simply be a transfer of existing jobs from presently employed workers to young people seeking summer employment because of the opportunities for subsidization. There are no real accountabilities built into the program to prevent that kind of thing from happening. There will be after-the-fact auditing, as there was with the first-time home owner grants, but it is not good enough.

[3:45]

We have said in this party for a good many years that there is a place for Ontario in manpower policy and manpower programs. We have tried to outline that role as having a special concern for hard-to-place target populations especially vulnerable to unemployment, one of those target populations obviously being young people. There is a role for Ontario in manpower policy and manpower programming with respect to young people in this province. One of the sine qua nons of a job-creation program, it seems to me, ought to be an integration of the program with some kind of placement service. In the long run, we have called for Ontario to set up its own facilities for target groups: For young people, for ethnic minorities, for the handicapped, for cultural and ethnic minority groups.

In the short term it would be possible to have a program such as this linked with Canada Manpower. There are all kinds of advantages which would have been possible had this program been integrated from the outset with Canada Manpower. There would have been a screening capacity built into the program right from the start to prevent the laying off of currently-employed workers and their replacement by temporary summer students. It would have been possible, secondly, for young people who are looking for work to be able easily to avail themselves of a job in a community like mine, in an urban industrial area, unlike many other parts of the province.

It's a totally baffling and bewildering process to obtain summer employment, to know where these jobs are, to know how to hook yourself up with a job. It's entirely feasible for somebody to spend, without exaggerating too much, the entire 16-week period trudging around looking for a place that has one of these wonderful jobs available. It would have made a lot more sense to me had the program been integrated with Canada Manpower right off the bat and these jobs specially earmarked and advertised so that applicants would have been easily able to obtain these jobs.

I think we are going to find that in the absence of an adequate placement facility there have been abuses on a fairly large scale; abuses of job transfer, abuses of layoff, abuses of people taking advantage of the subsidy to replace existing workers and to avail themselves of subsidized and low-cost summer employment over a 16-week period.

Despite all of these derogatory remarks, we intend, nevertheless, to support it on the principle that, as has been said, something is better than nothing; but it's not much better than nothing.

Mr. Deputy Speaker: The hon. member for Lake Nipigon.

Mr. Stokes: Thank you, Mr. Speaker. First of all, I would like to compliment you on your election to the role of Deputy Speaker in this House. I know that we served in the last Parliament and you co-operated very well with me. I want to wish you well in your new post and I am sure you will do an adequate job on behalf of all members of the Legislature.

Mr. Cassidy: We hope you match the lustre that the member for Lake Nipigon gave the post.

Mr. Stokes: I want to speak to Bill 11, and it's very very difficult to speak to a bill of this nature when one would like to draw attention to an area that it doesn't cover rather than an area that it does. I see the Clerk of the House grinning, knowing full well that on previous occasions I have had to be watchful that people were speaking to the principle of a particular bill.

But I think it is incumbent upon me, as a representative of a riding in northern Ontario with special, specific and unique situations; where in some respects we have the same problems of providing youth employment as is the case whether it be in Bellwoods or Brant-Oxford-Norfolk, but they are unique in as much as it really doesn't require a subsidy such as is outlined in the provisions of Bill No. 11. It does require a large degree of co-ordination between all of the ministries and agencies of the provincial government in concert with their counterparts at the federal government level, if these job-creating programs are going to work.

One in particular I would have liked to have drawn to the attention of the Minister of Natural Resources (Mr. F. S. Miller), and it's most ironic that it doesn't require a subsidy at all, it requires the dispatching of available manpower to areas of the province where there is a great need for employees. In this case it could enlist the aid of students, whether they be secondary school students or post-secondary school students.

I think it incumbent upon me to remind all members of the Legislature that we are spending several millions of dollars on extra fire-fighting forces for a contingency or an emergency that was to have developed this summer as a result of very low water levels and predicted very low levels of precipitation. That hasn't happened in many areas of northern Ontario at the present time. We have expended large amounts of funds and we have people standing by in the event we should have a serious outbreak of fires jeopardizing our forestry resources. Those moneys are being spent by the forest protection section of the Ministry of Natural Resources when the timber branch of the Ministry of Natural Resources are experiencing extreme difficulty in recruiting a labour force in order to plant thousands and thousands of trees that are going to have to be burned or buried—

Mr. Conway: Along with the charter.

Mr. Stokes: —yes—because of our inability to recruit a sufficient labour force in order to perform those tasks.

So on one hand you've got the Ministry of Natural Resources spending millions and millions of dollars on emergency fire-fighting forces standing at the ready for fires that really aren't developing as a result of heavy rainfall in the last few weeks, while another branch of the same ministry is crying for people to plant trees that are going to spoil if we don't get them into the ground within the next few weeks.

So I'm not asking you to spend more money at all. I'm asking you to talk to your colleagues; particularly in the Ministry of Natural Resources, where if you talk to the district managers, if you talk to the unit foresters, they would give their right arm in order to be able to enlist the services of these people you're trying to attract. It doesn't even require a subsidy. You're talking about offering a subsidy of $1 per hour for every student who qualifies under this program. We have a

minimum need of at least 150 people, just in my own area of the province where students can make between $45 and $50 a day planting up to 1,000 trees in an eight-hour period.

It doesn't require a subsidy. As a matter of fact, if you don't rationalize your efforts and co-ordinate your efforts with other agencies and ministries of this government and their federal counterparts, you're going to be sitting by spending millions of dollars on emergency fire-fighting forces that aren't being used for the purposes for which they are intended simply because somebody goofed—and I suppose it was the weatherman. On the other hand, you're going to have literally millions in nursery stock that have been pulled out of the ground, that have been kept in cold storage, that are going to outlive their usefulness; and you're losing money on both ends of the spectrum.

So all I'm saying, Mr. Speaker, is that we're spending an awful lot of money trying to create jobs by this Act to provide Employment Opportunities for Youth in Ontario and all you have to do is get in touch with the Ministry of Natural Resources, all the district offices and say how many youth do you require? All it will require will be a movement up to Geraldton, Terrace Bay, Nipigon, Atikokan or any place where there are district offices of the Ministry of Natural Resources. You will be providing job opportunities for many youths across the province and you will be doing a great service to the Ministry of Natural Resources in allowing them to recruit the necessary staff to plant trees.

In keeping with the recent announcement contained in the charter that was announced by the Premier (Mr. Davis) during the last election campaign, let me remind you, Mr. Speaker, there was a commitment that two trees will be planted for every one cut down.

Mr. Conway: I think that was just Tory hyperbole.

Mr. Nixon: Did that make a great impression up in your area?

Mr. Stokes: That was the impression that was given by the charter.

Mr. Nixon: That's what it said.

Mr. Stokes: Yes; but I am told the ministry people consider it completely unrealistic, and now I understand the Ministry of Natural Resources is starting to hedge on that commitment.

Mr. Gaunt: So much for the charter.

Mr. Stokes: I am just wondering why are we playing around. I don't know how much money is involved in this at all. I am offering the government a solution that will provide many jobs for youth in the province of Ontario without spending a cent, other than perhaps a little bit of assistance, even a loan, to get them into the area where we need people so badly for such useful undertaking as planting trees. All I am saying is that if there was some more co-ordination within the various ministries of government we could be satisfying the employment needs of a good many youths across the province and it wouldn't cost us a penny. All the ministries have to do is talk to one another about it.

Mr. Makarchuk: I just have a few points I wish to make on this bill which stem from my being a member of the public accounts committee. It seems to me whenever the government embarks upon some major giveaway program it always develops into abuses. It seems that every ripoff artist in Ontario manages to take advantage of the program. Part of it—and this was pointed out in the Auditor's report—is the matter of just sloppy mismanagement that goes on when the government embarks on a program that is not well planned, is not well designed and for which it is not prepared. By and large, in many cases the programs are designed more as election gimmicks or to meet what the government considers rather temporary situations or to alleviate some of the temporary problems. Consequently, what the government ends up with is handing out money to people who really do not deserve the money and who do not qualify under its regulations.

The government's own internal administration is very sloppy in these cases. This is pointed out particularly in the first-time home buyer's program. I have a feeling when the smoke on this particular program settles down—and the Auditor may look at the program, and perhaps it might be advisable to ask him to look at how this program was managed—we are going to find the same kind of problem developing in this program.

I think some of the recipients of the program, and this has been discussed earlier by my colleagues from Hamilton, do not qualify for it; and some of the people who are getting money are laying off other people in order to take advantage of the program, which as I understand it is against regulations of the program. I would hope this time the government cautions these people and advises them that when the day of reckoning comes, when it has the time

and the staff to look at these things, if they are abusing the program now there is no way they are going to get away with it in the future and that they will be forced into positions where they will have to pay back the money. I think it is advisable to caution them now. It happened in the first-time home buyer's program where everybody went into it. It looked like a good deal. Then when they were advised they did not qualify for the home buyer's grant or some strings were attached or some red tape problems developed, then all sorts of other problems developed. The government ran into a very great difficulty collecting some of the money.

So just a word of caution, I hope the government administers this program in a better way than it did before. There is something about the Tory party in terms of handling public funds that even when it is giving them away it manages to abuse the system, it really cannot do it properly. What I am asking in this program is to try to bring some sense to it now and see where the money goes instead of having to deal with the problem later on.

[4:00]

Mr. Warner: Mr. Speaker, I also would like to pass along my congratulations to you on your selection as Deputy Speaker of the House. I know you will rule with a firm hand and do a fine job for all of us. I for one appreciate the efforts you have put into the job.

I think perhaps the Treasurer (Mr. McKeough) and the youth secretary (Mr. Jones) could join together and call themselves Johnson and Johnson, since they, better than anyone else around here, can produce Band-Aids. I have yet to see anything more than a Band-Aid approach from this government towards what has to be the most serious situation that faces this province.

If I take it that the base of an industrial society is the work force, and the base for economic growth is having the citizens at work in useful employment, then I take it this government has a disgraceful record—particularly disgraceful in light of the fact that this is supposedly the richest province in this country of ours. Yet for all its riches, we are faced with some Band-Aid approaches.

We are faced with trying to rectify a situation whereby annually we have tens of thousands of young people out of work. I don't know how long it is going to take before the government comes to grips with the real problem. It cannot expect because one piece of legislation supposedly is going to supply 20,000 jobs in a small period of time, that somehow it is going to solve what is a greater problem.

I don't know how long it will take before this government finally comes to the realization that youth jobs are part of an overall labour picture, that they are part of long-term planning process, and that if one wants to employ specifically students for a specified period of time, the most useful way to do that is to involve them in a larger, broader program.

If, for example, we are talking about the development of housing and recognizing that we have a desperate need for an adequate supply of affordable housing, whatever program we set out for the construction of that housing is going to have a youth component to it—a student component, a section whereby students will be employed. We are going to plan that; we are going to work out the arrangements with the construction trades involved; we are going to work out the arrangements with the people who are constructing the houses, and we are going to ensure that a certain percentage of the total work force will be students and that they will have a specified number of jobs to perform over a particular period of time. The same would take place in reforestation and in every major section of our economy.

There is a drawback to it, a very serious drawback. To date this government has never recognized that it has to have development of secondary industries related to the natural resources. Until it comes to that, until it is ready to settle upon developing those secondary industries and having some Canadian control over them so that it is not going to allow those jobs to be drained off to the United States, then it can't ever address the total problem of helping to employ students. It can't possibly do that.

If, on the other hand, the government can take a firm grip of the whole thing and can say it is going to ensure those secondary industries are developed, and it is going to ensure the jobs are here in Canada and they are not exported to Norway and the United States and Japan, then it frees the government up to make the kind of planning that it needs to make. That frees it to plan out those jobs.

They needn't all be in the summer. No one ever said they had to be. The government probably realizes now that many school systems have started into a semestering system whereby students are freed up at various times of the year, not just in the summer, and that there are certain types of jobs

that lend themselves to being done in times other than the summer.

But the government has ignored all of that. Instead it has concentrated on the Band-Aid we have in front of us. My fear is that this can be used very easily by someone to ripoff the government.

It's very important that the dollar subsidy is not going to the student but to the employer. Because you offer an extra dollar doesn't mean that a student is going to get more than minimum wage. In fact if it is possible for an employer to do so, he will hire at the lowest rate possible, which could be part-time students. The student is going to work 40 hours a week—for whatever, 16 weeks—and get classified as part-time and be paid less than $2.65 an hour; and the company is going to get $1 an hour. It's costing them what—$1.50 an hour to pay the student? If there is some way to relieve full-time workers of their jobs that's what will happen.

Someone mentioned there's a very legitimate—I know, the secretary's all upset over there because he looks on page 3 and sees there will be inspection and there are powers of the inspector. But I submit, Mr. Speaker, that it is entirely possible for someone to say, "Business fell off in the month of June and I had to let someone go. I had to let two or three people go. But miraculously, business picked up in July and so I had to hire more people and I hired those students who would be subsidized by the government."

That's all very convenient and I don't know how you prove that's an incorrect or an invalid statement. I suspect it's a very difficult job for whoever is doing the inspection to prove that the person's statement is incorrect, to prove that business did not fall off and that he was undermining the work load and the work efforts of the people who had previously been hired full time. I think it's a very dangerous situation.

What disturbs me more than the potential abuse—because one way or another through the public accounts committee or whatever that abuse hopefully is going to be turned out and dealt with and those people who inflicted the abuse upon us would be dealt with properly—what bothers me more than anything else is the principle of this whole thing. I think it's wrong that we should segment student work; deal with one year at a time or one season at a time; with no continuity, with no sense of where we're going, no sense of what the purpose behind all of this is.

What is the government trying to do? Is it trying to keep students off the street? It is obviously not trying to supply them with a decent wage. It will find that many of the students who are working this summer will not earn a sufficient amount of money to meet the OSAP requirements set out by this government. One government program does not supply enough money to meet the earning requirements of another government program in order to continue post secondary school education, so the government is obviously not gearing up its program to meet the financial needs of the students. I really wonder why it is bothering.

The program is going to make a small dent in the total number out of work. Perhaps the secretary has figures different than mine but I submit that we are probably looking at 100,000 young students, young people, out of work this summer, and he's got a program that ostensibly provides 20,000 jobs. That's different from 20,000 people employed full time for 16 weeks. I would prefer some clarification, Mr. Speaker, as to how many weeks of work we're talking about, not just 20,000 jobs. Is each one of those jobs for 16 weeks and what fraction of the total unemployment figure for young people will that reach?

Then of course the question that automatically follows: What about the rest? What is the government going to do about the remaining number of students who are unemployed? For example, if those students are going on through university is the government going to continue the inequity that they cannot claim having been unemployed in the summer as a reason for still receiving a grant in the OSAP program? Will that penalty still be in place?

The government is saying that the best they can do is provide 20,000 jobs. But there may be 100,000 out of work, and some of the remaining 80,000 will be post-secondary school students who still require money in order to attend their college or university, and now of course they will require more money because they haven't been employed for the summer. Will the inequities still remain in that OSAP program? Perhaps the secretary has a suggestion. Perhaps he's very forcibly going to present to the Minister of Colleges and Universities (Mr. Parrott) the suggestion that those students who have made a job search, those students who have met all the requirements of the Canada Manpower office will not be penalized, that they will be able to receive their grant and loan at the levels they had originally applied for.

I know that you, as well as the rest of us in here, are very concerned about the level of unemployment, not just for today but be-

cause of what it does for the future. When I think of what those young people must be going through—to be unemployed, not just last summer but the summer before, and again this summer; and then with the aid of a heavy loan or help from relatives to continue their education at a post-secondary institution; and then to graduate without hope of being able to get a job in the field for which they are trained. I wonder what kind of an impression that leaves on the mind of that young person?

I suggest that as this Legislature applies the Band-Aid put out in front of us, we may solve the problems for 20,000 people this summer but we'll be back here again next summer applying another Band-Aid. This government has failed, and failed miserably, to develop a long-range policy for jobs and to develop an adequate policy to meet the needs of young people who really want to work. The jobs aren't there.

These are people who really want to contribute to our society and it seems that every time they turn they're pushed aside by this government. The government throws up its hands and says we can't do anything about losing jobs. We can't do anything about the jobs going to the United States or Norway or Japan, because that's the free market and we wouldn't want to disturb it one little bit. So we come back time after time and examine one Band-Aid after another.

At some point in time we're obviously going to run out of Band-Aids and the patient is going to die. Before that happens, my only hope is that this government dies.

Mr. Deputy Speaker: The member for Renfrew North.

Mr. Conway: Thank you very much, Mr. Speaker. Like my predecessors in this debate, I would like to congratulate you on your elevation. You shall, I know, grace this chamber with your avuncular wisdom and very careful judgement in the not-too-distant future.

I didn't want to enter into this debate on such a morbid note as was placed by my hon. colleague from Scarborough-Ellesmere.

Mr. Nixon: He said everybody's dying, didn't he?

Mr. Conway: Yes. There was a terribly, terribly morbid quality about that.

I want to take this opportunity, as someone not too far removed from eligibility to this youth employment program, to speak about the general problem of youth unemployment.

Mr. Nixon: He is too young to be a member.

Mr. Conway: Well it proved in 1975, at least for one member of this House, to be an answer to the problems of youth unemployment.

But this is a serious conundrum, not only for those involved in government but also for those in the private sector.

Mr. Cassidy: God save us if that became a general answer to the problem.

An hon. member: Put your teeth back in your chin.

Mr. Conway: Michael, not for a moment would I wish to talk about what it is I'd like God to save us from in this Legislature.

Seriously, and I think obviously as Statistics Canada's studies of spring 1977 have indicated, we face in this western industrial society of which Ontario is a part serious problems in the next generation insofar as employment of a permanent nature for the young in the society is concerned. While I can share with all the members of the Legislature the obvious inadequacies of this or any other government program I must support the import of Bill 11, having full regard to an excellent contribution made by my hon. and distinguished colleague, the member for Brant-Oxford-Norfolk (Mr. Nixon), who drew particular, and I thought very careful, attention to the inadequacies as they relate to the agricultural community.

[4:15]

I also want to say that I thought the member for Lake Nipigon (Mr. Stokes) made a very good point when he talked about the need for co-ordination. I listened the other day with a great deal of interest to a report from one of the leading northern Ontario foresters who made very clearly the point that the quotas established for this year by the Ministry of Natural Resources in reforestation —which as we all know was a matter of some significance in the debate of May-June of this year—are not going to be met. They're not going to be met, apparently, because they simply are not able to have the manpower to do that. That seems to me a real shame.

The lack of priority in Bill 11 is, I think, bothersome. There does not seem to be any focus or any clear indication as to a series of priorities which the government might have in the public sector—or, as this bill would direct, in the private sector. It is, to that extent, a very ad hoc proposition which I think is failing in that respect.

I answered, this morning, a letter I thought rather interesting from a senior municipal official in my riding who has served on the minister's advisory board of LIP. He made a

series of comments that I thought were especially pertinent.

I regret that I don't have that letter with me, Mr. Speaker, but one of the things he was very concerned about was this lack of co-ordination in many of these youth programs. He was speaking of the young Canada works program or whatever the specific title of that program is. I think there is a real need—I know there is in my own area—for a real co-ordination at all levels of government, and certainly of the private sector, to provide some degree of focus to these programs, makework or otherwise.

One problem we have in the Ottawa Valley, certainly in Renfrew North—and I know many of my colleagues in the more remote sections of the province face this difficulty always in dealing with government in particular—is getting the message across. I must give the government credit for a fairly successful advertising program in this respect. I must admit a certain degree of cynicism during May and June when I kept seeing these large, splashy ads relating to this particular program in all of the newspapers in the county and surrounding areas offering the goodness of one William G. Davis to the people who also, at the time, were exercising their franchise—and who did so so very wisely.

I would encourage a continuance—in fact, a stepping up—of that campaign because we do have a problem with many of our people not being aware of the program, particularly in the smaller communities where the communication is not as immediate as it is in the larger centres. I realize there is an obvious difficulty in that, but I would urge the minister to do the utmost, to the best of his ability, to convey this to all parts of the province. I know that many of the people in my riding who could benefit from this are in very small and remote areas, involved in the natural resource economy in particular. They may not —the goodness and diligence of their member in the Legislature notwithstanding—be fully aware of the programs that are being introduced to improve the employment situation for young people.

Again, the co-ordination of these programs is extremely important. One of the things I think we're facing more and more as this kind of a program becomes more common is a lack of public confidence in the capacity of government to effectively administer this kind of program. The member for Brantford (Mr. Makarchuk) I thought very appropriately drew attention to this and this government's particular inabilities to function administratively in this respect.

There is a growing cynicism among the public, particularly the business sector, that this particular government simply lacks the administrative competence to see a program like this through to something of a positive conclusion.

Ms. Bryden: This bill deals with only one part of what was presented in the April 19 budget as a youth employment program. Now, Mr. Speaker, in May, there were 134,000 people in Ontario between the ages of 15 and 24 who were unemployed. There were about 300,000 total unemployed, so the youth employment problem amounts to almost 50 per cent of the total unemployment problem.

It is very serious that that many young people in our province are unable to find work, but it seems that the government just doesn't really care. If you look at their program in the budget, it doesn't add up to very much.

There is first the Experience '77 program, which was first advertised to produce 10,400 jobs. In the budget they added a mere additional 2,350 jobs, making a total of 11,492 according to the budget. If you add the figures they gave originally, of 10,400 and add 2,350 you don't get 2,350 jobs added, so their statistics seem to be a bit out of whack.

The second part of their package is what they call their normal summer replacement program which last year was 9,300 jobs. In the budget they promised to add another 700—not a very great addition.

Their third program was to add 1,000 jobs to the Ontario Career Action program which originally was only going to provide 1,300 jobs. This is a program that is supposed to help young people gain experience, but it certainly only scratches the surface if there were only 1,300 planned and only 2,300 under the budget.

Their fourth program was something called Home Services for students to help the aged and the handicapped. All they are offering in this very important area is 250 jobs. It is supposed to be a new program but I have had a number of inquiries in my riding from students who would like to participate in this program and we have been unable to find where one gets an application or what sort of services it covers.

You get referred by the ministry to your local municipal social service administration, because they are to administer this program. But I discovered when I approached the Metro social services that really this wasn't a new program at all; that there had been a program announced last fall by the Minister of Community and Social Services to help

senior citizens stay in their own homes. There was no particular dollar figure announced on that, but he was going to have a great program to save the province money by keeping senior citizens in their homes and keeping them out of homes for the aged and nursing homes.

Well, this program apparently has been working its way through the municipal planning and social service department, but in Metro Toronto it hasn't even got off the ground because the ministry finally said that they would give them a certain sum of money but it would stop on March 28. The Metro social services department thought that a program that was announced last August and hadn't really got going and was going to run out of money on March 28, 1977, was hardly worth getting going.

Now, in the budget on April 19, they have reannounced in different words what appears to be the same program, but Metro social services still is not ready to accept any applications, has no application forms and, while students expected to be employed in this program during the summer, the summer will be gone before they even get an application form. So that is another part of the youth employment package that appears to be rather a bust.

We come to the one that is covered by this bill, the Ontario Youth Employment Program. It is supposed to provide up to 20,000 jobs. In the previous programs that I have listed the total increase in jobs was 4,300, so this is how the minister gets up to approximately 25,000 new jobs provided through the budget. As I have shown, some of the 4,300 aren't going to materialize and I am not very sure about the 20,000. We all know that nobody is going to hire people unless they feel they are going to be able to sell the goods or services that they provide, and in the present state of the economy there is not very much prospect for expansion.

In fact in the provincial Treasurer's (Mr. McKeough) latest statement, which he calls reaffirming Ontario's budget strategy for 1977, he admits, and I quote: "Significant levels of unemployment still exist in Ontario. High levels of unemployment are concentrated among the young, often those with no skills and little experience." Then he goes on to say: "Although Ontario unemployment in May remained high at 7.3 per cent, this was attributable entirely to many more people than expected entering the labour force. As a consequence, I have had to revise upward my forecast of average unemployment for the year to 6.7 per cent."

In his original budget, he estimated an average of 6.3 per cent; and that was only last April, before the election. It seems to me that what we should be having before us is not this bill but a bill to provide a much more comprehensive program to put our 134,000 young people to work. Offering, as the budget does, 25,000 jobs, many of which may never materialize, is only, as my colleague said, a Band-Aid for 134,000 young people out of work.

The government just doesn't seem to care that we have trained school teachers coming out of training colleges: we have trained nurses coming out of nursing colleges; we have librarians coming out of library school—I was told that only half the class that came out this year at the university have jobs so far. The nurses' situation is much worse, and the teachers' also; in fact we are facing teacher layoffs, as we all know. Community college graduates are having great trouble finding jobs. We have all these trained young people coming out and we are not going to make use of their services, we are going to let them be underemployed or unemployed. Mr. Speaker, that is the greatest waste of human resources that we can contemplate.

It seems to me that it would pay in the long run to put these people to work, to use their talents and their training and to get them started gaining experience in their careers. They could be used in the services that have been starved by cutbacks and that need additional help, rather than spending the money on this kind of a program, which in my opinion will probably mainly subsidize business profits.

Let me point out some of the flaws in this proposal: In the first place, there is no aid to any public sector activity at all. As I have just mentioned, the young people who are teachers, nurses, librarians and many community college graduates, are trained for jobs in the public sector, jobs that are badly needed in this country; but this program will not give a penny to any public sector employment; it only goes to businesses and to farms.

[4:30]

Secondly, there is no requirement as to how long one must employ a student or a young person if one takes them on under this program. One can take them on for a couple of weeks and collect the subsidy. There is no permanent job provided and even no summer job provided, but an employer is simply subsidized for a very short period. As most people know—and students particularly know this—if one wishes to apply

for OSAP, student aid, one is expected to have worked for 16 weeks in the summer. In the calculations of financial need they allow for earnings over 16 weeks. It seems to me this bill should tie in with that requirement and that anybody who qualifies for this subsidy should be required to provide at least 16 weeks employment.

Thirdly, there is no protection in this bill against abuse whereby an employer can lay off some of his present employees and hire new young people and have their wages subsidized by $1 an hour. This will not make any change in the unemployment picture but will simply displace people who are not in the 15 to 24 age group. There is no guarantee, in other words, that it will mean any new jobs. I think it symbolizes the type of approach this government takes to stimulating the economy and to solving problems of employment. It simply subsidizes business profit without putting any strings on the handing out of the money to make sure its objectives are reached.

One of the things that young people need is what might be called a leg up or a career start. We need a great deal more of that and there is some virtue in a subsidy program to encourage employers to take on young people in jobs that will become permanent so that the employers can train them on the job. It seems to me that would have been a much more sensible way of meeting this problem than this particular kind of handout.

I do want to point out also that in connection with this legislation the government has displayed a rather typical form of arrogance as well in that this proposal was in the April 19 budget, but the bill for establishing it, as we all know, died when the election was called. Yet on April 29, the day the writs were issued, the Minister of Revenue (Mrs. Scrivener) issued this bulletin: "Though there will be no legislation to authorize the $1 per hour grant for summer jobs, simple common sense dictates that we honour this commitment to our youth. Employer application forms are already available at Canada Manpower offices and thousands of prospective employees have already responded to this vital incentive."

In other words, it sounds as though it's business as usual and assume that the legislation will go through. On May 10, in the Toronto Star, this ad appeared: "Ontario's youth want to work this summer. Ontario will help you pay their salaries. Here's how it works: Employers get in your applications. Employees you may apply and be hired"; and so on. "Duration: The program is in effect from May 30 to September 16."

We're now passing the legislation to put this program into effect, on July 4. It seems to me the government really was presuming to assume that we would pass this legislation, without any justification.

Actually, they could have had this program in effect long ago, long before the election was called; or an even better package. We have been urging them for over a year to provide a youth employment program, because unemployment among our young people is not a new problem. The rate is twice as high as the regular unemployment rate for the province as a whole. We have been pointing this out for over a year, and suggesting that it was time to provide for these people who were going to be coming out of our community colleges and our universities and our schools. But nothing has happened, until finally we are suddenly faced with what looks like retroactive legislation.

The only other thing I would like to say is that any program for providing employment for our young people will not work unless we actually get the Ontario economy going. Just straight job creation is not enough. We have to stimulate the economy through programs that will put purchasing power in the hands of people, such as tax cuts, and will provide incentives for business and for the co-operatives, and will provide housing and other things that we need, such as insulation programs. There are all sorts of things that need to be done. There are also all the municipal public works that have been postponed. But this sort of approach where government simply subsidizes business and does not go in for the other programs that are needed to get the economy going will not solve our youth employment problem.

Mr. Bounsall: May I take this opportunity to congratulate you, sir, on your appointment as Deputy Speaker and wish you well in that position. I'm sure you will do a very fine job of keeping us in control and I look forward to those times in which you will be bringing us to order and our having some fun with you over the procedural matters in the House. I have a feeling, though, that you will handle all that very capably, and congratulate you beforehand on the good job you will continue to do.

In rising to speak to this bill, An Act to provide Employment Opportunities for Youth in Ontario, I do so saying that I will not be opposing this bill. But I do get a little tired of bills like this coming before us, which in my opinion does not really do very much at

all for the people wanting some sort of jobs in Ontario, looking to some sort of future in Ontario, or looking for a decent summer job in Ontario. Therefore it's a bill that is only a marginal step forward in meeting the employment needs and a bill that is almost counter-productive in terms of meeting the legitimate desires of our youth, particularly our students, hoping to get employment as students somewhere in the area of the particular expertise for which they are partially trained.

This bill, in my opinion, doesn't meet that situation whatsoever. I do get a little tired of seeing bills before us that almost makes me scream because of their inadequacy, but because it does hope to provide some jobs which may not now be there, we're in a position of muting our opposition to it.

I'm concerned over this bill and a couple of things that have already been mentioned by some speakers. One is the starting time of the program. Certainly I think the employers in Ontario break down into two distinct categories with respect to this. One is those who haven't heard of it yet. With the starting time on this bill and the fact that it is just before us now and that the forms aren't widely distributed, there are some employers who, if this had been in place some three months ago, would in fact have had time to make employment plans and some expansion in their own job opportunities but now find it too late for them to do that and therefore job opportunities are lost. I don't think, therefore, that will come anywhere close to meeting the objectives set forward by the ministry and by the parliamentary assistant in the number of jobs which are going to be created. And, of course, because they are jobs for the summer, we are talking basically about jobs for students, rather than for those who are not students and part of the permanent youth unemployment in Ontario.

The second concern I have with respect to the employers is that group of employers who in fact picked up on the idea immediately and are already thinking of ways by which they can profit under this particular Act—that is, get for themselves a dollar an hour for work which is already in progress. The bill, of course, is very clear on this in section 4. It says, with respect to those eligible for employment under it, it's those persons who can be employed where their employment "does not result in the dismissal, layoff or reduction in regular hours or period of work for any existing employees."

But this is very open to abuse. I have already run into some abuses of this. At the moment they are still suspected abuses and many of my colleagues who have spoken or will speak on this bill have had similar suspected abuses reported to them, and they are very concerned as I am.

One type of abuse which they are running into is the person who has been employed for some months who has come to us and feels he has been jockeyed into the position of quitting because the working conditions have somehow become very severely intolerable for a whole variety of reasons. Or they have been fired outright, and they suspect very strongly that their employer did so so that, under a different job position name and a different job description, they will in fact be replaced by a student being hired by their employer to get this subsidy. The employer can then claim of course that, "No, it is a completely different job. I didn't need that job. I phased that job out, but now, all of a sudden, I found this other job." Of the three people who have already approached me, two of them have said this employer is quite capable of being able to shuffle around the various positions which he has in his establishment so that the jobs, in fact, look very new and different to the jobs from which they and, they suspect, others in that particular concern, have been let go.

I turn to section 8 of the Act and I see under subsection 1 there penalties of $2,000 per employer and not more than $10,000 for the corporation which cover abuses. But I have a real concern that there be a followup on the suspected abuses which I have mentioned. At the moment they can only be suspected. We are going to have to sit back and see how many students are hired and just what sort of job description shuffling has gone on.

I suspect that the ministry has, in fact, not laid on any real capability for checking into precisely this situation and that we, as MPPs, are going to have to act in the traditional ombudsman role and laboriously pull all this data together. And then when this is done, where does it really go? I mean, is the Ministry of Treasury, Economics and Intergovernmental Affairs going to lay on these inspectors, these field workers, who are then going to go out and follow it up?

Has the Treasurer handed it over, or will he be handing it over, to the employment standards branch of the Ministry of Labour to do this for him? If so, I don't think they have enough employees in their ministry. I know they don't, in terms of the length of time it takes them to work their way through the abuses that occur normally in Ontario. From the length of time it takes them to work

through those, I know they do not have the staff to check into this at this moment.

When I talked to my local office in Windsor about the cases I bring there, I am told, "Look, we are doing our best. It's going to take four or five months. We simply do not have the staff that allows us to follow up and keep on top of, and follow on a weekly basis what should be done in all of these cases that come before us." This was said in a conversation not more than three months ago with the local staff of the Ministry of Labour in the Windsor office.

[4:45]

They do not have the manpower to do the checking for you. Just how many employers, may I ask the parliamentary assistant, is the Ministry of Treasury, Economics and Intergovernmental Affairs going to lay off; to check into this kind of abuse that I've mentioned and see that it doesn't occur with the unscrupulous employers in Ontario.

If the member checks with the employment standards branch they have files, some of them quite bulky, on employers in Ontario. They have a case or two each year with those employers responsible for abuses under the normal Employment Standards Act. Has the parliamentary assistant checked with that branch of the Ministry of Labour to get those employers' names, to take a very critical look at the very start with respect to any applications that those employers are making with respect to this program? This is precisely the type of employer which is of concern to me over this point I mention.

The second concern which has been brought to my attention by young people in my area, is that they were about to be hired, but somehow the job has fallen through. They have not been hired where they had some reasonable prospect of being hired. They've come to me with some degree of deflation and concern over the fact that they themselves will now remain unemployed until sometime in late September or October or even November.

Because they are technically not students and because this program aims at summer jobs and in particular for students, they feel the positions they would have been hired for are going to students. One can't argue about that, but it certainly has cut down their opportunity to be employed. One can only say, "Well that's very difficult to prove." I don't think in that category one could ever prove that this went on, this hiring of one person rather than another.

You have some 21, 22 and 23-year-olds who traditionally, because of their lack of training or perhaps an emotional problem, have difficulty getting a job. In some cases they have a physical disability. I have one case of an epileptic who is in this category, who feels very strongly that the reason he did not get a job is that he has been put in abeyance until perhaps some person with a few less problems, someone who does not happen to have epilepsy—even though he has not had a heavy seizure for some three or four years—will be taking that job until the program presumably runs out or that person is now back in school. Then he may be considered again for it.

This is the kind of thing which, I suppose, is not directly an abuse under the Act, but it certainly causes me some real concern in respect to how this program is going to operate.

I say to the parliamentary assistant, he sat with us on the select committee on highway safety and heard time and time again, certainly in the written reports which I'm sure that the member has read, about how much followup money is needed to be added to any program in order to study the effects of it all and to see whether the program has in fact achieved anything.

I ask the parliamentary assistant very directly how much money is to be spent and how thorough a followup study is going to be done on every employer and on every student employed in this to see whether or not these abuses have occurred, whether or not the student feels—or the person hired feels—that it's been a valid summer job and a valid use of his or her time in that employment? Although they were paid, was it really a job which they felt contributed to the economic health of the province of Ontario at this particular time?

If he wanted to sit down, we could enumerate 12 or 14 points and areas which should be thoroughly investigated and followed up in order to say something meaningful about the program. I would like to see that sort of data collected.

We are still in the same position. We're now in this program, suspecting a bunch of things about it, unless this very detailed analysis is made from here on until the end of this program.

I'd like to hear in detail from the parliamentary assistant just what sort of surveys are going on throughout and what sort of surveys take place at the end that will answer some of these questions for all of us in the House. I would love to have some of my suspicions proven unfounded by his facts. But he's going to have to take the survey very carefully; he's going to have to hire someone, if he hasn't already hired someone, or take someone for some period of time into his ministry, into this program, to make sure

that the proper kind of survey is drawn up which will yield answers to specific questions.

I know that on a personal basis that no doubt appeals to the parliamentary assistant. It is a program which he will personally feel important. But has he been able to sell this idea to his colleagues in terms of having money provided for that sort of followup study, which I feel is very necessary?

I've outlined what kind of surveys I think should be done. I'll just end very quickly by stating a general concern.

What basically is wrong is the economy. If this were a healthy economy, then the government would be having all kinds of summer employment in the very areas of expertise that these students in colleges and universities, for example, are being trained for. We've got to, in Ontario, do something very basic about our economy.

One could get into a whole economic argument here about what should be done, but basically we've got to get all our resources processed here in Ontario, as a start. If we don't start to move at some time to ensure that all our resources, be they from mining or from lumbering and the whole processing of trees and the whole refining of our ores, if that isn't done in the province and a start made to ensure that it's all done in the province, we're losing not only permanent jobs but all those summer student replacement jobs in the highly trained field as well.

When I went through my undergraduate training as an engineer, there was no problem whatsoever in obtaining a summer job—fairly high paying—in the engineering field. With the buoyant economy, with each and every company virtually doing some research and development in connection with that company's head office, there were all sorts of summer replacement jobs. These were not just replacement for holiday vacation but replacement jobs which allowed the particular engineer or scientist in that plant to be able to do something further in R and D, while they kept on with an already well established R and D project and so on.

Virtually all of that has disappeared, and that's one of the main faults in our economy. The first thing should be to take that sort of step to ensure that some R and D is done in Ontario and, second that have returned all those scientific jobs associated with the refining of ores and the processing of our wood here in Ontario. Then we'll have a definite, long-lasting, productive summer job program. If we don't move towards that, we're continually going to find ourselves with this type of program before us each summer. Essentially, I suspect, many of the jobs will be dead-end. And although it's not the direct responsibility of this particular parliamentary assistant or, tangentially, only with respect to TEIGA, I might follow on one of the points which my colleague from Beaches-Woodbine brought up.

We are concerned about the lack of employment for many of our trained people. Our nurses, for example—our teachers, for example. But I would hope that the parliamentary assistant, with his particular responsibility for youth, would be pushing very hard within the cabinet for programs of training of what's referred to as skilled people in the trades. We are still in the position of having to import skilled tradesmen. We do not have at all any proper program in our college program to meet the demand for skilled tradesmen in the province.

Mr. Acting Speaker: Order, please. I wonder if the hon. member would return to the principle of this bill, please.

Mr. Bounsall: This provides permanent jobs, Mr. Speaker, for both our summer students as replacements and permanent jobs in the future for our youth which should be a much more valid expenditure of funds by the province of Ontario than this program which we have before us. Thank you, Mr. Speaker.

Mr. McGuigan: As a fruit farmer I have some expertise, I think, in this subject, and a very personal interest in the subject of youth employment on farms for the summer season. Certainly, I and many of the people I represent would welcome a wage subsidy to help Ontario fruit producers meet the challenge of imported products which are produced in the United States with a minimum wage of $2.20 per hour, versus our $2.65. It's a minimum wage that's very poorly enforced in some of the states.

Also, they have the problem in the United States of the alien workers—they estimate there are as many as 10 million aliens in the United States and they're very poorly policed as to the minimum wage.

We would welcome a wage subsidy in Ontario to help meet that challenge, but in this bill I find myself very perplexed as to how I would use it—what tests I would apply to its use. Do they have to have a birth certificate? Would I have to photostat it? What sort of records would I have to prove that these people fell within the proper age of 15 to 25? And there would be

a question of whether it was new work, or whether it was old work. I can give you an example: as I left this morning we were picking cherries, with probably about 25 young people. The year before, in 1976, we had a crop failure. So, do the people I employ this year represent new people, or would they not be new people due to the crop failure last year? If this very confusing system is adopted by some growers and is used to the utmost and perhaps abused, then do I too have to abuse the system in order to stay competitive and stay within the industry?

I think, in its present form, this question of eligibility makes it a very bad bill, and it's going to cause ill feeling amongs farmers. Perhaps those who do qualify are people who are just coming into the industry or have planted cherries, say, a few years ago and this is their first harvest this year—they're going to have the ill-will of their neighbour who has been in the business for many years and who would not qualify. So I can see farmer being set upon farmer as to the eligibility of this program.

I would certainly urge that, as a practical person involved in this question, a great deal more study and a great deal more clarification be given. It would be my feeling that if we're going to have a wage subsidy then it should be open and free to all, so we not have this terrible administrative problem.

Mr. Cassidy: I had two or three comments to make, Mr. Speaker, about this particular bill. I have to say that we have reservations about it although we're going to support it, and I think a number of my colleagues have talked, as well, about some of the problems which we anticipate in the bill.

This is the dollar-an-hour subsidy. The government says it will provide 20,000 jobs. In fact, this particular program is so circumscribed that we don't really know how many jobs will be provided and, as far as the political mentors for the government are concerned, they don't particularly care. They're much more concerned about the public relations impact of this program on the electorate during the recent election, and about what they can say in speeches—such as the Treasurer's speech of the other day—than they are of providing real, long-term, sustained assistance in helping young peple get jobs in the province.

I think that the basic approach we would take would be as simple as that. We support this because it's better than nothing. We support it because we don't expect to get much else from the government. Our past experience tells us that they provide little, they provide it late, they provide it in a rather ungenerous kind of way and this program is no particular exception.

[5:00]

The government's own statements indicate that very little will be done to monitor and to ensure the jobs that are created under the bill are new jobs rather than jobs that would have been created anyway. The time limits, as I have mentioned, also indicate that the 16-week program, so called, in fact will amount to jobs which last for an awful lot less time than that.

I want to suggest, Mr. Speaker—and I want to say this quite seriously to the parliamentary secretary who is responsible for the Youth Secretariat—I think that this parliamentary secretary has got a difficult job in front of him and a challenging job and I wish him well. I don't think there is anybody else on the government side who is particularly concerned about the enormous problems of young people trying to get themselves established in careers and in the work force.

Now, I don't know the member for Mississauga North (Mr. Jones) well. I do know that he has this responsibility. He is an up and coming member on the government side and this is his opportunity to make his mark on behalf of his own career and on behalf of the people who are, in a sense, his constituents among the population of the province—that is workers between the ages of 15 and 24 or 25. Nobody else has certainly shown any indication on the government side of giving much of a damn about the plight of young workers and that's why I repose a certain amount of hope in this particular member, Mr. Speaker. That is his responsibility, in the same way that, regardless of the attitude that the Minister of Labour may express to organized labour from time to time, she remains the only hope within the government side because if she won't fight on behalf of the rights of collective bargaining, the rights of organized working people in the province, it's for damn sure that nobody else on the government side is going to.

I think it's significant, Mr. Speaker, that in all of this debate that has gone on since Thursday—not that long a debate, but all the same we have had a couple of hours to discuss the question of youth employment—I think it's significant in all that time, I believe only the member for Fort William (Mr. Hennessy) has had the temerity to speak from the government side on the matter of youth employment.

Here we have a situation where 200,000 young people are coming on to the labour market on a full-time basis from high school,

community college and university, effective in April or May of this year; where in April and May there were around 140,000 young people who were unemployed, not just for the summer, but on a full-time basis; where there were God knows how many hundreds of thousands of students looking for work over the summer. In many cases it was absolutely vital to their future because if they couldn't get a job then they couldn't qualify for student assistance and they couldn't continue with the training for the careers that they had picked out for themselves in life. Yet not a single one of the Conservative members, with the exception of the member for Fort William, saw fit to raise—

Mr. Maeck: What has that got to do with the principle of the bill?

Mr. Cassidy: It just seems to me interesting that not a single Conservative member, apart from the one exception, saw anything wrong with the government's program about youth employment. Nobody got up to say, as they could have, "We wish we could do more but there isn't enough money." That's not sustainable, but at least it's a defensible kind of position.

Nobody got up to suggest to the Treasurer and to the youth secretariat that something more be done for their particular riding, or their particular region, or the particular industry that they had the honour to represent. The young lions who were elected this time for the first time—the member for Carleton-Grenville (Mr. Sterling) for example; the member for Durham West (Mr. Ashe); the member for Wilson Heights (Mr. Rotenberg), he isn't here right now—the young lions were curiously muted, Mr. Speaker. You know and I know that if they don't speak up in their first weeks of being in the Legislature, they are never going to do it subsequently. They are very quickly tamed. Here's the member for Wilson Heights right now and he's obviously very quickly tamed as well, Mr. Speaker.

Mr. Acting Speaker: Order, please! Would the hon. member return to the principle of the bill as quickly as possible?

Mr. Cassidy: Of course, Mr. Speaker. I am suggesting that there are a lot of young people in the riding of Wilson Heights who are currently unemployed, who were not able to benefit from this particular bill because of the inadequacies of the bill. Although we are supporting the bill I think that the member from Wilson Heights had a duty and a responsibility to his constituents to get up and say what it's like in his riding and why he would hope that somehow the Treasurer would find a—

Mr. Acting Speaker: Order, please. Any direction the hon. member might give to the hon. member for Wilson Heights is out of order. Perhaps he would return to the principle of the bill.,

Mr. Cassidy: Well okay, Mr. Speaker. You will agree that the purposes of the bill are extraordinarily broad, because it pertains to the creation of a youth employment program. In fact, section 2 of the bill says, "The purpose of this Act is to provide for the establishment of a youth employment program." Young people are defined, I suppose. Anyway, we know the age of young people, and I think it is quite open to talk about youth employment problems in any riding of the province, or in a general way.

Mr. Gaunt: I think the Minister of Labour feels a speech coming on.

Mr. Cassidy: Mr. Speaker, I want to take issue with the youth secretary because there are several things that I would like him to reply to when it is his turn to speak on this particular bill.

Back on April 25—and how long ago that seems to be—the member for Mississauga North had a press conference talking about the youth employment plan. That was just a day or so after the budget, if not on budget day itself. At that time, he referred repeatedly to studies and surveys that had been conducted by the Youth Secretariat, which pointed to the need for this youth employment program. The repute of the researchers of the NDP is known across the province.

Interjection.

Mr. Cassidy: However, our researchers were completely unable to find out from the Youth Secretariat, or any other source, what was available. And as they report, there was either nothing available, or else nothing had been prepared, or else nothing was being made available. This is certainly contradictory to the new rules around this Legislature which say that that kind of background information should be made open to public consumption, and I hoped that the youth secretary would have a few words to say about what those reports and studies were.

All that we received were the brochure, the ad, the employer application form, the bill, and the budget reference to the youth-employment program. And nothing else.

The Globe and Mail reported that the parliamentary assistant responsible for the Youth Secretariat thought that 11,000 of the subsidized positions would turn into per-

manent jobs after September 16. Our researcher understood him to say, alternatively, one-quarter or three-quarters of the total number of jobs would be made permanent. Now, I would like him to comment on that.

If he believes that 11,000 of these jobs will become permanent, then I think that we deserve an explanation. As far as we can see, this is purely conjecture, because there is absolutely no way of making such predictions. And as far as we can establish, no research has been done, or in fact could be done on this particular matter.

The program administrators tell us that they hope that young people will be able to "show their stuff," to demonstrate their worth and to prove themselves indispensable. The claims of the government, Mr. Speaker, appear to be based on nothing else but hope.

Second, I wish that the youth secretary, now in consultation with the Minister of Labour, would say how many of these summer jobs, and it is a summer employment program, will go to students and how many to the permanent youth labour force. Again, it is not possible to predict, and I suppose that they will have no data until the end of the program. However, if you take the estimated 250,000 person-weeks—which it said that this program will create in an ideal kind of a setting, with $10 million being spent—and divide that among 140,000 or so young people who were unemployed in April and May, you get all of two weeks of work on average for all those people, which isn't very much when one considers the kind of need that actually exists.

If all of the jobs go to students—which we think is very likely—then there will be no dent made at all in the permanent youth unemployed. And none of those permanently unemployed young people will even have the chance to prove their mettle in order to be hired, if anybody is going to be hired on a permanent basis as a result of the program.

Third, I hope that the youth secretary, or the parliamentary assistant responsible for the Youth Secretariat, will reply to the points that we have raised about the very real prospect of abuse which exist with this program.

I have to say, and with regret, that the election results have created an unfortunate situation for people who are unemployed in the province. I hope that they all got out to vote. I am not sure that they did—some of them have become so cynical and turned off on politics that maybe they stayed home just this time. The election results certainly revealed a lack of concern by the government about the employment program which is not, I believe, reflected in the opinions of the population at large.

I've just been reviewing the results of a questionnaire which I sent out to my constituents just prior to the election—a riding report which went out to them at the end of March. Out of about 500 replies, approximately three-quarters indicated that unemployment was a key issue, and close to half of the people who replied said that unemployment was the key issue in Ontario today, or at least in the great riding of Ottawa Centre.

I submit that the unemployed, and particularly young people who are unemployed, are one of the very large groups who are permanently excluded from the political process in this province because of the perpetuation of the minority rule of the government based on between 40 to 45 per cent of the electorate. I think that's an unhealthy state of affairs, Mr. Speaker, not that a particular government happens to get elected with less than 50 per cent of the electorate, because that happens from time to time and place to place. It's almost inevitable if you have more than two parties in a parliamentary system.

What does bother me though is that it is the same 40 per cent who keep on electing this particular party to power, and only one or two hands are there at the wheel, such as the parliamentary assistant, the member for Mississauga North, to try and ensure that the needs of the people who are not reflected in that 40 per cent somehow get a hearing and get action from the government.

I don't know what happens up in Mississauga North or in Brampton or in Chatham-Kent or in places like that, but I can tell you, Mr. Speaker, that I have had almost nothing but employment problems coming into my riding office since the election, and they're mainly among workers under the age of 25 who are, therefore, young workers.

The other day I think I had five or six people in direct succession come through to see me to talk about jobs and to ask me if there was anything I could do in order to ease their plight. It's really rather pathetic. One of the things they say to me is, "Look, is there anyway you can get me a job as a messenger up on Parliament Hill?" Well, if everybody in Ottawa who wanted a job as a messenger on Parliament Hill were to get it, there wouldn't be any room for the parliamentarians.

But it is a reflection of a situation where even in Ottawa, which has traditionally been quite prosperous, there is now a very severe

unemployment problem and it is affecting young workers.

About five months ago, in February, I placed an advertisement in the Ottawa Citizen to seek a constituency assistant in my riding. When people called up we told them the salary, which at that time was $9,000. It wasn't princely, to put it mildly. I think it amounted to something about $4 an hour or thereabouts. A demanding, difficult, skilled job with a low salary.

Mr. Cunningham: Did you put your name on the ad?

Mr. Acting Speaker: Order, please!

Mr. Cassidy: When we advertised that job a year and a half earlier, I believe we had about five or six applications. In February of this year when we advertised that job, Mr. Speaker, we had 70 applications. And the people who applied had a wide range of experience, background and qualifications. What was notable though was that for the most part they were all well qualified, even if not particularly qualified in every case for the job that we happened to be advertising. All of them would normally, or most all of them would normally have qualified for jobs at a much higher salary than what the province was paying at that time in remuneration for the riding assistants.

Again, it was sad, it was pathetic. People who were married, who had kids, who had family responsibilities came in. Young workers who had worked for two or three or five years and now found themselves unemployed came in. People who had worked 20 or 25 years came in and they were out of regular full-time employment. They had found themselves up against the wall in very difficult and unexpected economic circumstances.

I have to say that I find it difficult to accept that not a single Conservative, apart from the new member for Fort William, can have a word to say about the adequacy or otherwise of the government program.

I can tell the parliamentary assistant of another phenomenon which we see in Ottawa and which I believe my colleagues from other ridings are seeing as well. It is that young people are unnecessarily taking additional training because there's nothing else for them to do. I recall, for example, the other day running into somebody who recently graduated from Carleton with a bachelor's degree in English or something like that, and who was about to enter the law enforcement program at Algonquin College for two or three more years in hopes of thereby becoming eligible for a job as a policeman.

[5:15]

The number of students who are now applying for Master's degrees, for MA programs, and even for PhD programs, at enormous cost to the Ontario taxpayer, is legion. And if you ask them why are they doing it, the increasing response is: "It is not because I want to do it; it is because I can't think of anything better to do."

The university is a kind of cocoon. It is a pleasant place to be. The qualification may or may not be useful in the future. What the heck, you may as well stay at university for another year or two because that is an awful lot better than driving a cab or simply being unemployed, or having to admit that you can't get a job and having to live off your spouse—if your spouse happens to be employed.

What this does in terms of human dignity, in terms of people's sense of self-worth, in terms of the normal career paths through life, is very hard to put down here in the Legislature. But I think that the results are serious. I think it is very serious to frustrate the desire and the willingness to work.

I think the secretary for youth should be bending his mind to find better ways to use that talent and imagination—that energy which exists in our young people—than in having them stay in the study force rather than work force for want of anything better to do.

I also find another phenomenon which I have to say is very worrying. When people come to me in my riding office in order to talk about the problems of being unemployed, I find that increasingly I, as an elected member, have to tell them how life really works in a Tory Ontario. They say to me that it is not very fair. And I tell them that I know it is not very fair; nevertheless, that is the way it goes.

If you are a cabinet minister's son or daughter; if you are the son or daughter of somebody in North Toronto or the better end of Ottawa then the chances are that when you are looking for summer work it comes. If you are simply the son or daughter of an ordinary family, looking for summer work, or if you are a young worker who has finished with college and you don't have any pull, as it is called, then you are adrift on your own. And it may take you several years before you begin to find your moorings, to find a way.

The normal route that people have been told to take by guidance counsellors and people like that is to submit applications, keep their nose clean and to watch the advertisements in the newspaper. That is about

the least effective way of finding a job. The only less effective way is to go to a Canada Manpower Centre and ask them for help in finding a job. They have neither the job listings, nor accurate and helpful advice about how people should find a job. And that is true, whether you want summer work or want full-time employment.

I think that Ontario, which has some knowledge about these things, should be applying pressure on the federal government in order to provide a more effective job-seeking mechanism through the Canada Manpower service. We might even consider taking the whole thing over ourselves and running it on a provincial basis by agreement with the feds. I think we might do a better job than they do.

Mr. Speaker: Order please. May I point out to the hon. member that I see nothing about those remarks and that philosophy in this particular bill. We should be discussing this particular bill as to how to provide employment opportunities for youth in Ontario.

Mr. Cassidy: That's right.

Mr. Speaker: So the hon. member should not wander this far afield and come up with all your own ideas because we are discussing this particular bill. Would the hon. member return to this bill, please.

Mr. Cassidy: I am on this bill, Mr. Speaker.

Mr. Speaker: Well, it doesn't sound so to me. That is a word of caution which the hon. member should hearken to. Discuss this bill please.

Mr. Cassidy: Yes, Mr. Speaker. You have become unduly suspicious of me over the last couple of years.

Mr. Nixon: With good reason.

Mr. Cassidy: The point is, though, that whatever the job finding process is, and however much I, as a member, tell people what they have to do in terms of using the informal channels of finding jobs, there have to be jobs available in the economy or it is all pretty damn fruitless. All I can tell them is how to make their chances a bit better, compared to people who already enjoy influence and pull, as it is called, in getting jobs. But personally, as an elected member, all I can do in terms of job creation is to come down here and tell this government—which, apart from the member for Mississauga North, is completely insensitive to the issue—that it has to be providing job opportunities in the province.

That means the government has to have a healthier economy than it has right now. It simply can't go on with an economy tolerating the level of unemployment that we have right now and say that it is taking any meaningful approach towards providing jobs for young people in the province.

I want to say that the government talks out of both sides of its mouth when it talks about youth employment. They told us in the spring that every citizen should be able to participate fully in all aspects of life in Ontario, but young workers can't if they can't have a job. They said in the Throne Speech they wanted to ensure full opportunity and a bright future for our people by expanding the job-creating sectors of the Ontario and national economics. The government can't do that when it has 200,000 people permanently unemployed, of whom many will be young people.

They said they would complement federal action to create jobs. They've done so by creating a paltry number of summer jobs with this particular program. They talked about special funding to create jobs in both the private and public sectors. Then they have introduced this program, which does nothing to provide jobs in the public sector or the municipal level where it is our contention there may well have been many opportunities to provide work in a responsible way and respecting the municipal need not to overload the local taxpayers.

They called their economic program a program of confidence in the future of our province and nation and then in their employment programs reflected a lack of confidence in our future as a province and as a nation. They talked about protecting our natural and human resources. Whatever they are doing for the natural resources, they don't protect human resources when they have so many young people unemployed and so few for whom work is being found either directly or indirectly as a result of this bill and as a result of the other actions on the part of the government.

I draw the parliamentary assistant's attention to budget paper A which relates to this problem of youth unemployment. I want to ask him in particular when he speaks on this bill that he repudiate the efforts by the Treasurer to categorize workers under the age of 25 as being members of the secondary labour force in the province of Ontario, a second-class labour force, a labour force whose needs in the opinion of the Treasurer are apparently far less worthy of concern than the needs of providing jobs for male workers aged between 25 and 55.

I have to say to the parliamentary assistant I am very concerned an upset that young people, be they male or female, who are supporting themselves full-time who are responsibly pursuing careers, who in many

cases are actually breadwinners and supporting families of their own, should be categorized as having needs for employment that are far less important than the needs of people who are aged over 25. I want to suggest that this is a demeaning way of treating young workers, that it is not an acceptable way and that the youth secretary in the province of Ontario should be using every effort, publicly as well as privately, in order to change that decision. He should start now in this particular debate by repudiating all of the contents of budget paper A.

Mr. Speaker: Order, please. The hon. member has not got back to the principle of this bill yet. I have given him a great deal of time.

Mr. Cassidy: I'm sorry, Mr. Speaker. On the point of order, I am repeatedly referring to the question of youth employment and youth employment programs, and that is precisely within the meaning of the bill.

Mr. Speaker: Order, please. The hon. member is talking about the employment opportunities and the assistance to solve the problem of those aged 25 to 55. That is not in this bill. Would the hon. member just stick to the principles as espoused in this particular bill?

Mr. Nixon: In a short speech.

Mr. Cunningham: He hasn't read the bill.

Mr. Cassidy: Mr. Speaker, I'm sorry, if I had gone on a lengthy digression about the problems of adult unemployment for people over 25, I would understand your intervention. But it surely is possible to refer to the context.

Mr. Speaker: Order, please. The hon. member is debating the remarks of the Speaker. Will the hon. member please discuss this particular bill?

Mr. Cassidy: Okay. In the reference to young workers in the budget, there were several points which I think are worth recalling in this particular debate. In the first place the Treasurer acknowledges that since 1975, the rate of growth of young workers in the labour force has significantly slowed down to the point where it is less than the growth of the labour force in general.

Mr. Speaker: Order please. This particular bill is not really elaborating on budget paper A, B, or whatever it was you said. There's a proposal in this bill and this is the bill which should be discussed, not general remarks about the whole worldwide situation. If the hon. member would please concentrate on whatever measures there are in this particular bill.

Mr. Cassidy: With great respect, Mr. Speaker, I am talking about the question of youth employment and this is the one opportunity in the course of this bill—

Mr. Speaker: Order please. That matter is discussed in here but you should be discussing these matters in here, and not the whole field. The hon. member may continue.

Mr. Cassidy: I fail to understand you, Mr. Speaker, I'm very sorry.

Mr. Speaker: I think I made myself quite plain.

Mr. Cassidy: Yes.

Mr. Speaker: The hon. member will discuss this particular bill.

Mr. Cassidy: Fine, and this bill, Mr. Speaker, deals with the government's response to the youth employment program. The parliamentary assistant who is responsible for youth is listening with attentive interest. I appreciate his concern and the fact that he's been present for the entire debate. I ask him to repudiate the idea that young people are secondary members of the labour force. I hope that he responds to that particular point.

I point out to him, Mr. Speaker, that none of the evidence which has been suggested in various discussions about this issue including speeches by the Treasurer, the Premier and in the budget papers, substantiate the view that somehow the entry of young people into the labour force has created particular reasons for redefining the permitted level of employment in the province to the point where we can tolerate 200,000 people permanently unemployed. If that is now the position of the government, we repudiate that and we ask the youth secretary to repudiate that as well.

The statistics which have been presented by the government and by other authorities indicate that youth unemployment does tend to be higher than unemployment in general in the economy. There are very good reasons for that. Young people lack experience, young people are moving from job to job as they try to find out what is particularly suited to their needs. Young people are lowest on the seniority list and therefore they are the ones who are the last to get hired and who tend to be the first who get fired.

All of that, however, still suggests that the real reason that youth unemployment is high right now is not the reasons which the Treasurer gave, suggesting it's a lack of experience on the part of young people. It is the fact that the economy as a whole is not performing up to par, and therefore there are not enough jobs generally and

therefore there are too many young people seeking work which just isn't there. We think it wrong that rather than getting the economy back on its potential path, the government simply tries to redefine the problem in order to pretend that it isn't there at all.

We find in particular the argument that young people are entering the labour force in increasing numbers in order to take advantage of the unemployment insurance scheme to be particularly distasteful, as well as unfounded and not based on the facts.

I would point out for example that in February of this year, young people in Ontario represented 45 per cent of the unemployed, but only 33 per cent of beneficiaries of unemployment insurance. In February of this year there were 69,000 young people collecting benefits, but there were 143,000 people who were unemployed. That does not suggest to us that young people have been entering the labour force in order to benefit, or rip off the taxpayer, through the unemployment insurance system.

I would point out in contrast, and the Ministry of Labour of this province itself has pointed this out in relation to the youth employment question, that it is not a weaker labour force attachment of young people that creates their higher unemployment rate, but they have a weaker labour force attachment because of the fact that they have less attractive job opportunities than people who are older.

Mr. Speaker: Order, please. As the hon. member must realize, he's making a general speech on a matter which is of great importance—yes. But how are those problems being dealt with in this bill? It's this bill which we're discussing at this particular time. Now will the hon. member discuss the principles as contained in this particular bill, not the general, worldwide situation, please?

[5:30]

Mr. Cassidy: Mr. Speaker, the study of the—

Mr. Speaker: Order, please. I want to do that now.

Mr. Cassidy: Yes, that's what I'm doing.

Mr. Speaker: You haven't yet.

Mr. Cassidy: My own—

Mr. Speaker: Order, please! Just get to this bill and never mind the general situation, please.

Mr. Cassidy: Well, with great respect, Mr. Speaker, you do seem to have one set of rules for me and another set for other members of the House.

Mr. Speaker: Order, please!

Interjections.

Mr. Speaker: I think the hon. member should withdraw those remarks.

Some hon. members: Hear, hear.

Mr. Cassidy: Mr. Speaker, I do withdraw those remarks, but I do have to say that as the critic for Treasury of my party, I think I am entitled to talk at some length on these matters. Also as the closing speaker for my party, I wanted to resume a number of points that have been made in this debate and make some ones which were not made by my colleagues.

Mr. Speaker: It's been pointed out to the hon. member that this is the bill we're debating, not the general situation, please.

Mr. Cassidy: Okay. Okay.

Interjection.

Mr. Cassidy: Mr. Speaker, if I can conclude my quotation from the Ontario Minister of Labour's comments on youth employment—

Mr. Speaker: No, I think they're concluded. Will the hon. member get immediately to this particular bill?

Mr. Cassidy: With respect, Mr. Speaker—

Mr. Speaker: Order, please! The hon. member, I'm sure, understands English. Would he get to this particular bill without any further delay? We've allowed him to stray and discuss the matter in general throughout the whole worldwide situation practically. Now would he please discuss this particular bill.

Mr. Cassidy: Well, Mr. Speaker, obviously I bow to your particular rulings, and I will talk, as you will, about the very specific aspects of this particular bill.

Mr. Breithaupt: The member should talk about youth unemployment.

Mr. Cassidy: I have been talking about youth unemployment. As the hon. House leader for the official opposition is well aware—

Mr. Stokes: Obviously, you're not listening.

Mr. Cassidy: Yes.

Mr. Nixon: Neither are you.

Mr. Stokes: Yes, I am.

Mr. Cassidy: We have expressed concern that this is a skeleton bill and leaves an enormous amount of discretion in the hands of the government. We are concerned about the fact that municipalities are completely

excluded from this particular bill. We are concerned about the policing of this particular bill. It is so paltry that we are going to get into the same situation with this set of grants as we got into, Mr. Speaker, with the housing grants, the first-time home buyers grants, of a year or two ago.

We are concerned, Mr. Speaker, and I want to put some specific figures on to the record. The bill is meant to be a 16-week program and when it was introduced we were told, in fact, that it would be a 16-week program providing up to 20,000 jobs. Between May 30 and September 16 is a period of not 16 weeks but is, to be very specific, 15-5/7 weeks. In other words, the introduction of the bill assumes a complete take-up prior to May 30, that the employers in question all had jobs available to take effect starting on May 30 and that they would then take people for the period of 16 weeks that ensued. That's unrealistic.

We're concerned, as well, that the promises about 20,000 jobs aren't matched by the funding which is available. There isn't funding for 16-week jobs for 20,000 people. There's funding for 15,600 jobs over 16 weeks, or for 20,000 which will last an average of 12½ weeks. As various of my colleagues have pointed out, Mr. Speaker, the student aid program, in fact, requires students to have worked for a total of 16 weeks, which means that those who get hired for the average period of time which is called for under this particular bill will not fulfill the requirements for student aid and run the risk of being knocked out when they go and apply for their student loans and grants in the ensuing year.

The Treasurer stated in his statement of a few days ago that approximately 10,000 applications have been received for this particular program by June 27, and that they averaged two jobs apiece. That's all very well. It's significant that the day he chose of June 27 was a month after the introductory date of this particular program.

I wish that the parliamentary assistant for the Youth Secretariat would tell us how many of these jobs have, in fact, been approved; how many are in the pipeline now; what wage rates are being paid for these particular jobs; how long a period is represented by each particular application or what is the average length of job which is entailed; and whether he would go back to the questions that we raised initially about how many of these jobs will in fact come out to be permanent jobs on a full-time basis.

I would remind the parliamentary assistant that over the course of the last two or three months we've made a number of very specific proposals about youth employment, which we believe would have a far longer lasting impact that this particular program.

I recall, personally—and I think this is worth pursuing at a future date, Mr. Speaker—when I was just out of university I spent some time in West Germany in Offenbach, near Frankfurt. I lived in an apprentice's hostel and worked in a factory.

At that time, it was the custom that every young person who left school at the age of 15 or 16 in Germany took an apprenticeship for a period of two or three years. They continued to go to the equivalent of the local community college for one day a week. They took training on the job and by the time they were 18 or 19, they had the opportunity to go back into community college on a full-time basis, without the need for qualification that we require in this province, and they also had a trade and a skill—and—perhaps, by that age, some better understanding of the need to acquire a trade and a skill. That's because the early attractions of the big money that they thought they would earn from getting into a job quickly paled when they found out the real cost of living in the world outside.

I think that we in this province should consider ensuring that not just some young people get an apprenticeship, but that we provide that kind of training for every young person, whether it be on-the-job training or sandwich courses in the community colleges, or full-time training in the community colleges.

I think that's a goal that we should look forward to, Mr. Speaker. We can certainly afford the time, because young people right now are whiling their time away. There's 14 per cent of them out of a job right now, probably more if we didn't fail to count the thousands and thousands of young people who will simply not enter the labour force at all due to the lack of employment opportunities in the province and due to the inadequacies of this particular program.

I think that the government should take very seriously the youth careers program which we advocated during the budget debate and which we also advocated during the course of the debate on economic matters that took place during the election campaign. We suggested that could provide 8,000 or 9,000 full-time jobs. Again, it's not an adequate response with the number of unemployed people that we have, but it's certainly an awful lot better to have 8,000 or 9,000 people introduced into jobs which you have a fair certainty will become full-time jobs than to have 20,000 young people

for 10, or 12 or 13 weeks with no assurance that anything will continue—and, in certain cases, with students even taking up the job of full-time workers who have been put into a forced holiday situation over the course of the summer.

I think we will probably put this bill into committee in order to pursue some of these questions in more detail. If the parliamentary assistant for youth matters can answer these questions during the course of this debate, I would have thought that would assist in helping us get through the more particular matters during the course of the committee.

To repeat, we think that this bill isn't enough. We have to support it because it's the only thing we have any hopes of getting from this government and we wish the youth secretary, or the assistant for youth matters, well. He's got an uphill battle to fight within the cabinet and within the government. But he alone has any chance, I would submit, of making any impact within the government on behalf of 140,000 unemployed young people—and hundreds and hundreds of thousands of young people who are affected, in addition, by the underemployment and unemployment situation in the province right now.

Mr. Williams: I can well recall the last session of the last Legislature when the whole concept of providing job opportunities for youth was brought forward at the time of the Speech from the Throne. I recall that particularly because I think that was the first occasion that I can recall when a Speech from the Throne was presented in the House and there was applause, albeit mild, from the opposition benches.

At that time the Throne Speech identified, very clearly, the high incidence of unemployment that existed, particularly among this age bracket of people in the work force, or potential work force. So, it was interesting to find immediate response from the opposition members, and the manner in which the government wanted to take the initiative in involving the private sector in resolving this critical problem with regard to those who were potential employees in the age bracket 15 to 24. When this was more clearly spelled out in the budget presentation by the Treasurer, again I think there was some surprise shown by the members on this side of the House by the enthusiasm that was shown by the members of the opposition, even from amongst our socialist friends. That indeed was a unique situation.

Today as we have come to translate the specifics of the program as spelled out in the budget paper in this Bill 11, we find now that there is continuing support in principle for the bill. However, I do find it regrettable that more than enough scepticism is being displayed by the members of the opposition as to whether the bill in fact is really workable, notwithstanding the fact that the opposition members did not hesitate to point out the numbers of youth who have already enrolled for the program and the number of employers who have hired on students and young adults to participate in the program. In fact, probably the only area in which there is not a lineup of eligible employees waiting for the job opportunities is probably in that area of the farming sector which relates to the keeping of bees. Outside of that area, I don't know of any where there is a shortage of potential employees.

The initiative taken here by the government and the initiative taken by the private sector in responding to the bill have been most encouraging. Any suggestion that has been made by members of the opposition that it has taken only the initiative of the albeit capable member for Mississauga North to bring this matter into the House today I think belies the facts, because it is well known that all members on this side of the House spoke most heatedly on and fully endorsed this program, not only before but also during the election period when it was very much a matter of concern by the voters in Ontario.

The problem having been identified by our government and the initiative having been taken by the private sector, as I have indicated, have been very heart-warming. The fact that the government has seen the need to involve the private sector such as it has never done before is a new trend that is likely to continue after the success of this program has been proven. One can only prime the public pump for so long and with so much additional funds being put into it to provide short term make-work programs that have no lasting beneficial or tangible effects.

I suggest there is a substantial difference that arises in this type of program where we have the private sector putting up the front-end money. That is where with the help of the subsidy from the government this program will succeed like no other that we have had, and I am not in any way belittling our Experience '77 or '76 or '75 programs, or belittling the other programs where we have provided direct seasonal employment through the public sector and through that initiative alone.

This new initiative is bound to have not only the short-term desirable effects but,

more important, the long-term lasting effects, as has been suggested. While this has been refuted by some of the opposition members suggesting there will be no long-term, lasting effects, even though the program is barely off the ground, I am sure many of the young students and young adults who take advantage of this program will remain in the work force and probably many of them will continue as permanent employees of their new employers. [5:45]

The scepticism I referred to that has been enunciated by some is ill-founded—to suggest that there will be many of those who will try, as the terms has been used, to rip off the system. A number of members have tried to relate this program to the first-time home buyers program where there was some evidence of abuses being made of the system. I suggest in this instance there is a substantial difference. Here, as I mentioned a few moments ago, the employer is putting up the front-end of the money. Even though they are receiving the benefits of a provincial grant, they have as a profit-making enterprise the necessity of operating an efficient business operation. Simply because a provincial grant is available, they are not going to hire unnecessarily additional staff.

The comment was made earlier by several of the members of the opposition that if our economy wasn't in the state that it has been in the past year or two with the international inflationary picture before us, this program perhaps would not need to have been introduced. Frankly, I don't think any member in the House would argue with that suggestion. If we had a healthy economy and many more people were in the work force today, of course the need would not be there to endeavour to stimulate the economic pump this time in the private as contrasted to the public sector. But we are all well aware of an ailing economy, and this is an initiative taken by the government that is suited for the difficult economic times. In fact, I suggest many of the companies would not be hiring these students without the availability of that additional $1 because of the fact, as has been discussed many times during the budget debate and prior thereto, that small businesses particularly in this province are finding themselves priced out of the international marketplace.

Discussion, comment, and debate have taken place with regard to a number of small manufacturing businesses, a number of which have been located in our border cities, where the businesses have had to either close down or to reduce the number of their employees. It has been found that in most of those instances the reason has been that the employers have found that they could not compete with businesses of similar size with similar objectives, manufacturing similar types of products, on the other side of the river, where they were paying employees as much as 65 cents an hour less than what they had to pay employees on this side of the border.

While the wage levels in the United States are allowed to catch up through this 12-month period, perhaps this program will assist our small businesses to survive during that catch-up period. With the support of this provincial grant to assist those ailing small businesses, I am sure this is the way and means by which a lot of our small businesses will survive during the next 12-month period, during which period hopefully our whole economy will turn around into a more productive, positive period.

I think that this bill, for those several reasons, has to be one that does deserve the support of this House.

Mr. Mancini: Is the parliamentary assistant taking all this down?

Mr. Williams: The scepticism that has been shown with regard to possible abuses, I think is totally conjecture. As has been pointed out, in the bill there are a number of built-in safeguards whereby there are very heavy fines imposed upon those who are found to be fraudulently providing information that would make them qualify, when evidence might show that to be to the contrary. And I would suggest that by and large the businesses in this province will in good faith take full advantage of this program and that not only will the youth and the young adults of this province benefit from the program on the short-term basis, but many of them will remain in the work force. I'd suggest further that many of the small businesses as well as some of the larger will continue to prosper and benefit as well from this program.

I think that this bill before us today will prove to be a landmark in the support it can give to the private sector and it is one which I think will prove to be copied in other provincial jurisdictions in the coming months and years ahead. In stating that, however, I'm hopeful that this does not mean it will become a permanent institution by reason of the fact that we will find ourselves in better economic times in the very near future.

Mr. Stokes: We wouldn't want it to continue too long—it might be construed as socialism.

Mr. Williams: Some concern has been expressed, Mr. Speaker, with regard to—

Mr. Conway: Who was that masked man?

Mr. Williams: —section 4(2) of the bill which deals with the definition of related persons. I think that some concern has been expressed as to whether there is more latitude that exists with regard to incorporated companies' hiring next of kin, or the sons or daughters, or brothers or sisters, of senior management of incorporated companies, whereas with regard to unincorporated companies there is absolutely no means by which a relative could be employed by that company. I think that the parliamentary assistant should make it absolutely clear that restrictions do apply, even where the employer is a body corporate as spelled out in section 4(2)(iii).

Mr. Conway: Since when are the Tories against nepotism?

Mr. Speaker: Order, please. We're wasting time here.

Mr. Williams: Subject to that one technical comment, Mr. Speaker, the bill does give meaning to the initial comments that came forward in the Throne Speech and which were more clearly identified at the time of the budget. I think now that we should not hesitate to enact this legislation and let the benefits flow therefrom for the private industries of our province.

Mr. Speaker: Thank you. Any other hon. members to speak to this bill? If not, the parliamentary assistant.

Mr. Jones: Mr. Speaker, I'd like to thank all the members that have contributed to the debate.

Mr. Breithaupt: Now you are being provocative.

Mr. Jones: I have had an opportunity to keep notes, and I recognize some of the comments and suggestions made as having flowed from the Throne debate and from the budget debate of earlier times. The one main thing that I kept seeing come from various of the members was some fact that seemed to be a little bit out of sync as to things that we've made into this program—specifically and with a considerable amount of thought.

For example, we keep hearing over and over again such catch phrases as "make-work programs," and we keep hearing about student programs, all in the context of the program set out in this bill. I'd just like to clarify some of those for the members.

For example, "make-work" kept coming up from the very start when the member for London Centre—I believe he was the first speaker—touched upon it, and then we've heard it through several speakers since. We have heard it this afternoon from the members for Hamilton Mountain, Hamilton East, Brantford, Scarborough-Ellesmere and others. They kept insisting that this was a make-work project.

I would like to remind the House, as the last speaker from Oriole has, that this program is in concert with the private sector, the businessmen and farmers, who have the largest percentage of investment in the particular hourly salary or the weekly salary. I can tell you that any of us who do come from a business background know that this is hardly their inclination, as businessmen in this day's climate, to once having made that investment then make a make-work project. It just doesn't happen, and that isn't happening with these examples that we are having a chance to review, to visit and examine in concert with businessmen.

Rather, what is happening is what we designed and hoped for with this as one program, where this government could give considerable assistance to the young people of this province who find themselves caught up, as we have heard today, in a very tight job market, and particularly a market that works disproportionate numbers of unemployed for their numbers.

We did hear the member for Ottawa Centre speak of the situation in his riding, and while he didn't presume to know the situation in Mississagua North or Brampton or some of the other ridings he mentioned, I have had the privilege of travelling the province with Youth Secretariat work and visiting in concert with businessmen, on the campuses, in the high schools, talking with the young people who are faced with both a job need for this summer and, of course those young unemployed that are both looking for jobs and are about to or have just recently graduated and are in the job search process.

But one major thing we did keep running into. I know there is a big subject called mismatch of jobs, and I can understand, because we are working with it, the need for all kinds of apprenticeship programs. Yet one major thing was missing. We needed a stimulus for the private sector.

Many members have talked about the young people coming into their respective constituency offices; feeling the frustration in a tight market; being the first people to be asked that important question, "Do you have experience?", and then, of course, all too often told, "We'll call you." What was needed was some kind of a stimulus, some kind of an assistance to the private sector so they might help the labour component

of their cost makeups. Thus they would give an opportunity to young people for that short period when they are first gaining their experience to be introduced to the private sector. They would have an opportunity to prove their worth and have of course, an opportunity to gain the most essential thing needed—namely, experience in the real world of work where 90 per cent of them are going to end up working anyway, with the private sector, be it in business or be it in the farm community.

The next thing that we heard mentioned over and over in the debate, was the talk about abuses. There was almost, I suppose, a paranoia about bad businessmen who are for sure going to— and the term was there again, overused all so often—be ripping off. That certainly isn't the kind of social concern that we have run into as we have worked with businessmen throughout the province, as we travelled in our career development program, for example, where we met with representatives of business in the form of chambers of commerce, of boards of trade, who have shared with us some of the suggestions that have gone into the design of this particular program.

Mr. Speaker: Order, please! May I inquire of the hon. parliamentary assistant if he will be much longer? Should he maybe take an extra couple of minutes to finish now, or will he have a lengthy remark?

Mr. Jones: There are a number of questions, Mr. Speaker, that might take a few moments more than 6 o'clock.

Mr. Nixon: It is 6 of the clock.

Mr. Breithaupt: Perhaps that could be done in committee.

Mr. Kerrio: Dispense.

Mr. Speaker: I await the direction of the House leader.

Hon. Mr. Welch: We will call it 6.

The House recessed at 6 p.m.

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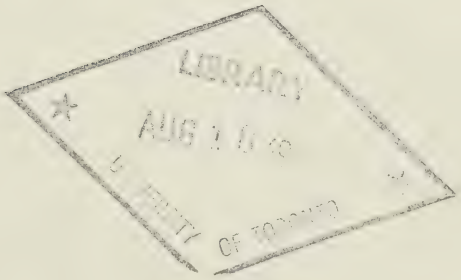
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Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, Q.C.

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LEGISLATURE OF ONTARIO

The House resumed at 8 p.m.

ONTARIO YOUTH EMPLOYMENT ACT
(concluded)

Resumption of the adjourned debate on the motion for second reading of Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Mr. Deputy Speaker: I believe the parliamentary assistant was tidying up Bill 11.

Mr. Jones: I was merely explaining for the benefit of the members who took part in the debate and for the House as a whole that there were a few words that kept recurring throughout the debate that I felt it was important we clarify. I had touched on the often misused word "make-work" which so often crept into the debate. I was about to touch on the word "abuses" to assure the House that we were very mindful of the potential for abuses and did our very level best to ensure and guard against some of the ones described or that some of the members were concerned about.

The abuse probably most often referred to, and one that concerned us as we drafted the program, was that we might have, just as was described, a situation where perhaps people could be released from present work and replaced by young employees so that students or young people could take advantage of the jobs with the $1 subsidy, or rather the employers could. I can assure the House that we set in place a very closely designed program which involves not only the Manpower offices, with their extensive records, in order to ensure that they are legitimate, bona fide employers operating within the spirit of the bill, but also a program where, in concert, the Youth Secretariat is following up and checking those employers on a constant basis to make sure the spirit of the bill and the letter of the bill are complied with.

Also, the subsidies branch of TEIGA has in place an audit that is not only an on-spot audit but an onward going audit, and there will be a wrap-up audit.

So everything has been put in place. In fact, I can share with the House the fact that no less than 10 per cent of the applications have been declined. There was a comparison drawn in the course of the debate between this program and how it might relate to the home buyer's grant. I can assure members that it is an entirely different situation. The audit as set out here and the inspecting powers under this Act are much broader than the home buyer's grant provided for.

People who are not qualified are very clearly rejected. As I say, we have recorded some 10 per cent of those, probably the biggest part of them being simply that it was either not a new job or that it was some kind of an abuse whereby there might be a situation where it could be deemed that someone was being replaced. The audits are ongoing and provision is made in the bill for the grants to be recovered in any situation where we might find an abuse.

We heard certain of the members in the House during the debate mention cases, or rumours I think were alluded to most—

Mr. Cassidy: More than rumours.

Mr. Jones: We've heard a lot about rumours, and I guess some allegations, that there were abuses known under the program where existing employees were let go. I have talked with members of the caucus the member for Ottawa Centre (Mr. Cassidy) represents. I have talked with one I know of who has come to me and said he had this suspicion. He shared with me the city and the name of the firm, and we were able to do a check. I ask the House yet again, and any of the individual members, that if they know of any abuse, if they could provide us with any of the names we could follow up with the investigation to make certain that none of those occur.

As we make that suggestion, we have in place the mechanics in order to make those checks. I can tell members from the outset that when the program was explained to employers or prospective employers, it was very clearly made known just exactly what the criteria was and what the penalties for abuse would be.

We heard over and over, and I touched on it just before we recessed, the fact that this seemed to be a student program. We heard several of the speakers mention it was a student program, whereas in fact others

did clarify as they touched it, that it was both for students and youths generally who are unemployed, more appropriately unemployed youths as a whole with students being a part of that.

Perhaps the misunderstanding comes into play because of the program having come into effect during the summer months. It is probably because we have the biggest period of youth unemployment then. We have heard the figure of 143,000 unemployed as it existed back in April, and we knew that there were large numbers of graduating students coming on the market. I would ask the members to bear in mind, when we hear this statistic of 197,700 coming out of the school system—sometimes it's referred to as 200,000—that there is a participation factor that has to be applied against that. Remember there are large numbers that might be June brides; or some might be going on to other post-secondary education.

Mr. MacDonald: That's participation all right.

Mr. Jones: The fact is that somewhere in the early 60s is the percentage of real participation.

Mr. Cassidy: What about June grooms, why do you pick on one sex? Most June brides work if they can get a job.

Mr. Jones: Right, but the fact is I could deluge you with a pile of statistics, and I think there is a danger in that. All of us know full well there's a very real problem with unemployed youth, and as we search for the answers to assist in this province we do so with a very clear conscience and with a considerable amount of thought and design in the programs.

There's a danger of drifting into some statistics that are not helpful to us. In fact they probably cloud the issue and make our task, big as it is, even more difficult. So I just share that one thought that some of the statistics that come about tend to get a little magnified and a little over-dramatized, bad and all as it is.

But it is true that in the summer months when we have the normal large numbers of unemployed—and that experience is being shared around the world—as we deal with them we have our summer students coming on the job market in their very large numbers. On this program itself though, I would answer one of the questions people were asking—and they had heard a discussion of figures from as large as a potential 11,000 to lesser numbers—which of these jobs might have the possibility of being onward going; there was a lot of discussion during the debate about that. Our best guess—yes, I say it is a guess—can only be drawn from the types of discussions we've had with the employers who have made these jobs available and have gone forward to employ the great numbers of young people who are already in place and the others who are in the process of being employed. As I look at jobs, such as machine operators and all the different categories—assistant hair stylers and farm labour—and having talked with, as we have, so many of the employers, we can get some sense or feel for how many of them might be onward going, given the potential of an experience that will lead into a career and a better position and full-time employment for those young people. I would not pretend to be able to be accurate in the amounts. I have said, and perhaps this is where the figure mentioned in a Globe and Mail report comes from, that there was a maximum potential, given the 20,000, that could be upwards, in that figure, of 11,000; or it could be as low as 2,500, given our statistics.

Mr. Cassidy: That is the maximum.

Mr. Jones: That is the maximum.

Mr. Cassidy: What is the minimum potential?

Mr. Jones: The minimum potential could be about 2,500; but again it would be a matter of balance between how many of the jobs were taken up by students and how many of the jobs were taken up by unemployed youth, be it a young person of 23 with two youngsters at home to feed and so on.

Mr. Cassidy: Are there any studies?

Mr. Jones: I made my estimates, when I was asked about this, from the first sampling we have received by way of applications. I might give you an example. Let's take one inquiry that came to us on the first or second day from a very sincere individual who wanted to hire one extra person. This person was a one-person operation, a courtroom clerk, who was taking on a certain amount of work. The person couldn't quite handle the extra load, had been struggling under it, but the economics were such that the labour component of a second person, to add to the clientele and take on the extra court cases, just didn't make it viable. They phoned to say: "Listen, I'm a one-person business, could I possibly qualify under this program?" We described it and they said: "Fine; it had to happen some time but I just haven't been able to manage; the dollar will make the difference."

That young person, I would have to guess from the conversation I had, would carry on as a full-time employee and no doubt make a career in that job. In fact there was some

talk that it would become a partnership with the young person gaining the experience and becoming totally viable and productive in his or her own right and going forward in partnership with this other lady.

Many of those types of examples have come to us. We have no crystal ball, we won't pretend to have, in which we can see how many of them will indeed bear that kind of fruit; but that's the kind of opportunity we want to provide wherever we possibly can.

There's no doubt this is a first-time-ever program, this dollar subsidy, which provides an incentive for employers to give job opportunities to young people and the young people in turn can prove themselves; there is opportunity here for both sides.

As I mentioned earlier, we found this as a result of our travels and talks across the province. Not only with young people but especially with hard-nosed businessmen, who so very often are the employers, people with an awful lot of conscience about their communities; who want to provide jobs but in many cases that labour component was the stumbling block in that first, early period where the young people were to gain the experience. This was the period when the employer had to decide. Would they take off an experienced, seasoned employee to help train one, two, three, or however many young people; or would they perhaps leave some of that productivity to lay fallow?

They suggested to us the difference the subsidy makes, not for a long term but for some period of time, could be the difference that could give them some extra elastic in their firm and thus make the job feasible and they'd have a chance to be introduced to these young persons, and the young persons in turn would have a chance to prove themselves. That seems to have been happening from the applications that we've received and from comments of the employees we have interviewed as we start our program of analysing in order to know more about both unemployed youth and unemployed students.

We went into this program knowing some considerable amount about it with our studies that we have done over the last two summers. But we added to it that extra dimension of working with the Chambers of Commerce, working with Boards of Trade, working with service clubs and employers in every shape and form across the province. This was the source of some of the advice that came to us and helped guide us as we designed this program.

There's been some very real doubt raised about the chances of the program working. I'd have to say the evidence is already in. We have no less than some 35,000 applications at this point from employers of every shape and form, large and small, farmers; and the forms are in their hands. They asked a lot of questions and understood clearly the criteria that existed for them to be eligible.

Some 13,000-odd of these applications have been returned and we have—pardon me, we have 15,180 of those applications returned, and we have no less than 13,400 of those approved. We do have 1,400 rejected, as I mentioned, giving evidence of the calibre of attention we're giving to make sure that there aren't any abuses if we can possibly avoid them.

Mr. Cassidy: That's a very sharp increase in four days.

Mr. Jones: They are coming in somewhere in the order of—given a start of a work week—somewhere in the order of 350 applications. That's not to say that all of them are eligible, because they might very well have sent one in and circled that they are not new jobs and then right off the bat they wouldn't be eligible.

Mr. Davidson: Is there not a farm program implemented already?

Mr. Jones: Someone mentioned about farm programs, and several members have touched on it. Someone shared with us an article from, I believe the Windsor Star. They talked about some of their worries; about whether the program would work for the farmers.

As you know, there were special provisos in the bill to deal with the harvest side of things. I can tell you that 10 per cent of the applications are being utilized by farmers who are quite happy with the program, who have found ways to create new jobs; and of course given experience to the young people so that they can learn and perhaps proceed from that to a career of their choice.

So while there might be some farmers who have some doubts about the program, I don't suppose we should be surprised at that. It is new, it is the first time that any program of this type has been brought into being; but the fact is that 10 per cent of the applications are from farmers.

[8:15]

When we turned into this program we were mindful that there are some 2,800-odd businesses out there as potential employers. There are some 88,000-odd farmers who are po-

tential employers. If some five per cent of those were to hire just one and a half youngsters we would be satisfied with the numbers that we were attaining given the funding that we were talking in the budget.

So to have applications that point in every way toward jobs for those young people, to have exceeded our target at this time, means we are a long way from some of the comments that we heard that the program wouldn't work and all the doubts that were being expressed about it in the debate this afternoon.

There was some discussion about some of the alternative programs that young people could be working on. As we listened to some of those I've made careful notes.

I appreciate them, as I mentioned earlier. I notice, for example, there was some talk from the member for Lake Nipigon (Mr. Stokes) about some of the possibilities for young people to be working in the north with reforestation programs and assisting in forest fire fighting. I have to remind us all that we do have many other programs. We have our junior forest ranger program, which is working. We have our experience program which sees literally hundreds and hundreds of young people working in the north. They, in turn, as I visited the north last summer—

Mr. Stokes: How many of them are planting trees?

Mr. Jones: I really wouldn't know at this point.

Mr. Reid: You also hired more from southern Ontario.

Mr. Jones: I know last year there were several hundreds of them working between Kenora and Dryden. I visited a site last year where some of them were trying a new reforestation program on burned-over areas. I'm not sure if that program is in effect this year, but I know that it was last year. I can tell the member that with last year's serious fire situation, as it was then too, some of the young people took over some of the normal programs of the regular Natural Resources people, such as nuisance bear control, some of the checking on the fishing—whether people were complying with the regulations—so as to free up some of the Natural Resources people because of the special fire situation in the north.

So young people were playing a very real role in the north and, as the member knows, under the experience program this year and the expanded budget, Natural Resources received probably the biggest single number of increases. Of course, the junior forest rangers also had an increase yet again this year.

Mr. Davidson: Do you not have a junior farm program?

Mr. Deputy Speaker: Order, please.

Mr. Jones: I was talking about the junior forest ranger program. There is a junior agriculturist program that isn't in the capsule in the budget. There are several others, of course, taking place. So this government does have a pretty complete package, contrary to some of the comments this afternoon that seemed to imply that the government did not care about young people and their summer need for jobs or youth unemployment.

Mr. Davidson: There is a duplication.

Mr. Jones: There is no duplication, quite the contrary.

Mr. Warner: You just don't know what you are doing.

Mr. Jones: It is a complementing of one program by the other. It's not one simplistic program that's going to answer the needs of young people in this tight market for them. It's a whole proper package of well-thought out programs. And it has to complement the federal government's—

Mr. Renwick: Don't go too far on that line, just limit yourself.

Mr. Warner: One Band-Aid after another.

Mr. Renwick: I know it is a Monday evening and July 4, but don't get yourself out on that limb about the prepackaging of measures.

Mr. Deputy Speaker: Order, please.

Mr. Jones: Coming back to this bill, it is true that this program was planned around what the federal government was doing this summer, so this program would be in place.

Someone asked the question why did it not deal with municipalities and certain other boards that were creatures of municipalities, and so forth. That's one of the reasons. This program was intentionally designed to complement what the federal government was doing with their particular summer programs. That's why it was directed into the private sector, where we felt there was a large untapped source of new potential jobs where young people actually need that component called experience where they are eventually no doubt going to be finding their work place.

So, it followed that taking this kind of a program to the employers seemed to make an awful lot of sense. I think the statistics are proving that it is having an impact. We never did pretend that it was a magic wand that would solve all the youth unemployment problems we have in this province but we felt it was an important stride, a first that is also going to supply us, and this is in answer to questions, with some critical data that will

help us in future years as we come to grips with it.

We all know and someone was reciting in debate what the statistics were 10 years ago when they were coming out of school. Of course this is a different condition. The baby boom generation is going through that youth transition from school to work right now around the world in very large numbers, at a time when we see the economy having some constraint and restraint.

The fact is this government has taken what I feel are a lot of important, innovative steps toward doing more than its fair share in setting an example for the private sector, with OSAP that was touched on earlier and which had a specific purpose and a high success rate. It is a project we can look on and explore bringing into the private sector. In addition we have advanced our Experience programs to meet a growing need; just as we have worked with some of the other programs we have just touched on. It followed naturally that we should move to the private sector in order to accomplish some of these large numbers of jobs that were still being needed.

I think that as we look at them some questions come up about how a specific employer might fit in, be they a golf club or some of the specific areas that were mentioned in the afternoon. One main thing about it is that the same rule applies for everybody. It's a matter of incentive for a short term.

In answer to some of the questions about why it hasn't gone longer, the fact is I think we all know, and it has been mentioned by some of the members today, any long-term solution does rest with the overall economy, and of course a government creating the kind of climate that makes possible the kind of inducement that has to take place for business to expand and create those new jobs.

So for this special problem of unemployed youth we didn't see the answer lying in long years or many months of prop-up, because then you do come close to this make-work type concept and young people perceive it as that. They want to stand on their own two feet. They understand that for the first period they learn skills; and while they learn to be productive and while they gain that experience, they recognize full well that there could be something such as support for their employer; they understand and appreciate it.

On the long term, however, they feel if that prop-up is necessary it can't be a very real job. Employers have shared the same sort of comments with us and we have had the benefit of some research in advance of bringing this together.

On the discussion about the farmers, and I see that the member who raised the question is here, those thoughts shared with us we are going to carry forward so that we can have the benefit of them. Probably the farm community is the one community that, while they responded well, have had some questions about how they fit into the program. As the member for Brant-Oxford-Norfolk (Mr. Nixon) said, there are some people who don't quite understand how it could apply to them and how the work they have could qualify as a new, first-time job. Yet I say that 10 per cent of them have qualified and are actually hiring young people to work with them; without any of the abuses that we have heard rumoured. So again I ask that if you hear of any of them in that specific area of the program, we would like to know about them. Sincerely, we would track each and every one of them down to make sure we maintain the integrity of the program.

There were some questions about how many of the jobs were going to students. At this point in time we still don't know, but we do admit that probably we will find a high proportion of the jobs going to students. That's not necessarily a bad thing if under a program such as this we can take students off that market where they are presently in competition with other young employed, that helps to give them some extra elbow room. So it's not necessarily a bad thing in itself.

All in all we would have to say at this point in time this program seems to be serving the purpose we set out to achieve, and in fact it's probably beyond our expectations. We are getting excellent co-operation.

Someone asked me specifically what kind of salaries we were talking, the suspicion being that we might be below minimum wage, or in the student minimum wage I guess it was. In truth we can tell you that it is running higher than the minimum wage. Not necessarily large wages, but as I look down here at a sample I see machine operators at $4 an hour. They are being hired in a newly-created operation under this program. I suppose a lot of them are at a minimum wage of $2.65; but as we travel in connection with our other duties in the Youth Secretariat, we find that young people do recognize increasingly, that their expectations have to come down for to start with. Gain the experience; it's a first-time job—that's the approach. They can't expect to start with T-Birds and $10,000 to $15,000-a-year jobs. They don't expect to; they know it is a tight market out there. They are grateful for the opportunity to start and have a chance to prove themselves.

Mr. Davidson: They can't find any jobs.

Mr. Cassidy: That was a mistake. That was a gratuitous assumption that bit about young people and T-Birds. Really!

Mr. Warner: Tell us it is good to be poor, that will be the next line. Tell us it is good to be poor.

Mr. Jones: Let me say this: From our experience—everybody might say they would like to be in the mill making $6 an hour—but in our experience if it is a young medical student and he is able to gain experience in the summer as, perhaps an ambulance attendant to get some relevant experience, he is happy to be making that lesser salary—even if it might be $3.50 an hour. When you have talked to as many young people as we have across the province, it has to be true.

Experience does count with young people. They know the value of it, they know that it's the first, second or third question that they are going to face on an application—

Mr. Cassidy: Why inject Thunderbirds into the issue?

Mr. Jones: Well we just heard that somewhere along the line—

Mr. Cassidy: That came from the Youth Secretariat.

Mr. Maeck: Pay no attention. Don't listen to him; he's saying nothing.

Mr. Jones: We heard the member for Brantford (Mr. Makarchuk) talking about the program being sloppy. I have to assure him that it really isn't. We have given it a lot of attention. In the Youth Secretariat we probably have as our major priority to attempt to know more, to come to grips with it and be a voice of the young people to government, as is our mandate, on exactly what some of their needs are. This is, of course, paramount across the province. And of course it helps government to understand as best they can and garners support for assistance.

I might just say in answer to some of the criticism that we heard earlier, that I have had support from the most senior of ministers to every private member within the caucus. Maybe they haven't been making comments in this debate but that doesn't necessarily mean that we haven't totally had their support, their understanding; and their questioning as to how they can improve the constituents' use of the program which benefits not only the businessmen but also of course—

Mr. S. Smith: Is he filibustering his own bill?

Hon. Mr. Welch: It's called tit-for-tat.

Mr. Jones: —the young people, especially young unemployed people who are facing difficult times. So I do urge the members to join with me and expedite—

Mr. Breithaupt: Expedite?

Mr. Jones: —what each of us clearly knows is a step in an important direction towards bringing together the young unemployed and the employer, so that the youth of this province can gain that important experience and go on to build a career from this first job experience which would be possible under this bill.

Mr. Breithaupt: What about the other 80 per cent?

I presume the parliamentary assistant is in favour of the bill? I didn't get that from his remarks so far.

Mr. Jones: Oh, yes.

Motion agreed to.

Ordered for committee of the whole.

[8:30]

ONTARIO YOUTH EMPLOYMENT ACT

House in committee on Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Mr. Deputy Chairman: Before we deal with the legislation, perhaps I might be permitted—as this is the first time I have assumed the chair in committee—to express my personal appreciation of the confidence and trust you have again reposed in me, with no increase in pay, in re-electing me as Deputy Chairman. I shall continue to discharge my duties to the best of my ability in an impartial manner.

On section 1:

Mr. Gaunt: With respect to section 1(b) I have an amendment.

Hon. Mr. Welch: Point of order. You will recall when the provisional orders were introduced for the operation of this House, although we had generally agreed we would waive certain orders as had applied to the time frame, we did draw attention to provisional order No. 20 with respect to adequate notice dealing with amendments to legislation.

Now here we are in committee with what is one of what could be several amendments, and as of this moment the government has received no written indication as to amendments to be moved. I would draw to your attention that although the rule says "wherever possible," it's quite obvious this member has had what he is about to read in his desk since Thursday, and there may be

others, I think in order to facilitate the orderly development of business in this House, we at least should have the courtesy extended to us of having some indication of the actual wording of amendments.

Mr. Breithaupt: May I speak to the point of order, Mr. Chairman? Might I only comment that I believe the parliamentary assistant was aware of this item, and indeed appeared to accept it generally as a point worthy of consideration during the remarks which the member for Huron-Bruce made some days ago on second reading. Perhaps the point agreed can be stressed before the House, because obviously we want to have as much notice on these matters as is practicable. I would think on this point though, the Chair could accept this amendment, since the point raised was, I believe, presumed by the parliamentary assistant to be worthy of consideration. No doubt the stellar oratory of the member for Huron-Bruce will win the day if we only give him a chance.

Mr. Gaunt: Mr. Chairman, I've noted the remarks of the House leader and he's quite right. I must apologize for not doing so. I didn't have the amendment in my desk for days. I had it typed up this morning as a matter of fact, and I've had it in my desk for a matter of hours—

Hon. Mr. Welch: More than two?

Mr. Gaunt: More than two? Yes, I would have to admit it is more than two. But I did alert the parliamentary assistant on Thursday that I was going to move the amendment. We discussed it this morning verbally, and I think the parliamentary assistant is well aware of my intention and the purpose of the amendment.

Mr. Cassidy: On behalf of the NDP, we were aware of the Liberal Party's intention to move this amendment but not of the details. I agree with the House Leader that it would be helpful if we had had a copy of the amendment before, both for technical reasons and also because of the chance to consult on it.

Hon. Mr. Welch: That is the point.

Mr. Cassidy: I want to assure the House Leader that at least this time the one or two amendments that I might have had in mind to move, I won't put forward due to not having given him notice.

Hon. Mr. Welch: I understand.

Mr. Cassidy: I think that it takes some getting used to on all of our parts. It is particularly difficult, however, in a case where there is a lot of legislation coming through under the jurisprudence of one critic, to keep ahead as far as these amendments are concerned.

Mr. Peterson: Point of order. I'd like to respond, in assistance to my colleague from Huron-Bruce. Notice was given of that on Thursday and was read into Hansard. I haven't read Hansard, but I recall specifically giving notice before the member for Huron-Bruce that this amendment would go in. I don't think anyone, by any stretch of the imagination, was caught by surprise of any type.

Mr. Renwick: Where is that? There is no provision for that.

Mr. Peterson: I'm just saying that the intention was very clear. As I recall my friend the member for Ottawa Centre was in the House at that time.

Hon. Mr. Welch: That's not the point; wording is important.

Mr. S. Smith: I appreciate that.

Mr. Deputy Chairman: The Chair has listened to the observations of the hon. member for Brock and the other observations—

Hon. Mr. Welch: I wish you said that more positively.

Mr. Maeck: The member for the Niagara Peninsula.

Mr. Deputy Chairman: And I must say that he makes a point. However, I would caution the members of the committee that in the future, wherever possible—I'm reading from section 20—amendments proposed should be filed with the office of the Clerk. It would be helpful, not only to the office of the Clerk, but to the Chair as well if we were aware of future amendments. In this particular case, after listening to the various explanations and debate, the Chair will accept the amendment but would hope that the hon. members of the committee in the future would co-operate not only with the Chair but the office of the Clerk as outlined in section 20.

Mr. Gaunt: Mr. Chairman, I have noted your comments and I do apologize: It does take some getting used to.

Mr. Renwick: Not when you have been around here for a while.

Mr. Gaunt: We run this operation a little tighter than we used to and one has to get used to that. I do accept the little touch on the knuckle by the Chairman and by the member for Brock, and I'll abide by the rules in future amendments I might propose.

Mr. Renwick: Gaunt's rules of order.

Hon. Mr. Welch: Let's have the amendment.

Mr. Gaunt: With respect to the amendment, I put the case on Thursday. The member for Mississauga North and I have discussed it at length privately and I don't think it needs any further explanation from me. Suffice it to say that there are good employers who have started up businesses within the last year who do not qualify because of the restriction under the provisions of the Act whereby a business has to be in business for a period of a year before the business qualifies under the terms of this Act.

I think there are new businesses which could legitimately make good use, perhaps even better use, of this program than some company that has been in business for many years, perhaps a multinational company. I think that it is well worthwhile and that the parliamentary assistant should take into account what the amendment is trying to do.

Mr. Chairman: Mr. Gaunt moved that section 1 (b) of Bill 11 be amended after the words "for at least" by deleting "one year" in the third line and adding the words "one month," so that the section shall now read: "Eligible employer means a person who has been actively engaged in business or farming in Ontario for at least one month immediately prior to the commencement of the youth employment program but does not include a municipality or local board thereof, the government of Canada or the government of any province or any agency, board or commission thereof or any person prescribed not to be eligible as an employer."

Hon. Mr. Welch: Mr. Chairman, I would invite your consideration as to whether the amendment is in order. In that connection I would draw your attention to standing order 86 which talks about resolutions, motions and so on, which specifically direct the allocation of public funds. The bill in its present form, that is in its unamended form, has been recommended by a message from the Lieutenant Governor and has been in fact introduced by a minister of the Crown. The amendment I would suggest, has the effect, by virtue of lessening the criteria, of directing the allocation of more public funds contrary to the spirit and the letter of standing order 86. I would therefore respectfully suggest that the amendment proposed is out of order.

Mr. Chairman: Any discussion on this?

Mr. Nixon: On the point of order, you need a great deal of advice. I don't think the point raised by the House leader is valid since it has little or nothing to do with the expenditure of public funds, but simply the time element involved in accepting applications. It might, in fact, turn out that less money would be spent. There is no way of predicting that. Certainly the amendment, as my hon. friend has presented it, does not call for the expenditure of extra funds. I hope, sir, that you will not rule the amendment out of order for the reasons given.

Mr. Stokes: Speaking to the point of order, I would like to agree with the hon. member for Brant-Oxford-Norfolk inasmuch as the principle for the expenditure of funds for that express purpose is already built in, and the only point that is being made by the member for Huron-Bruce is the actual time that the provisions of that particular section will come into effect.

The principle of the expenditure of funds for that express purpose is there. The effect of the amendment does not change that one jot. It just means that there is an extension of the number of people who may qualify because of the time differential. The principle hasn't changed. The expenditure of funds is built into the principle enunciated by the bill itself.

Mr. Breithaupt: Before you proceed to make your decision, may I refer you to section 3 which is, to my quick reading, the first time the term "eligible employer" comes forward. The section states that the minister may make grants in the prescribed amount to eligible employers, and so on, who hire whatever. Presumably the minister is not obliged to make grants to persons who for one reason or another do not fulfil the particular requirements. I would presume that since it is "may" rather than "shall" the discretion yet remains within the minister, and he is not obliged to make any grants to any person or persons, whether corporate or individual.

As a result, the changing of this time frame which might be of great benefit to the possible students who might be hired, does in no way obligate the ministry to, in fact, make grants other than as the section 3 already sets forward.

Mr. MacDonald: Mr. Chairman, I don't know why such a fine Christian gentleman as the government House leader should suddenly become so obstructionist. He first tried to obstruct the amendment on the basis of there being technically—

An hon. member: He is a Christian.

Mr. MacDonald: —no notice given. Now he is going to obstruct it on this basis. May I remind him of what the Youth Secretariat said, that they hoped they are going to meet the objective. In fact, he was so enthusiastic about the program that he was suggesting we

might exceed the objective. In other words, you've got a flexible amount of money in there. And we are just going to assist you to meet the objective a bit more fully. We are really on the side of the Youth Secretariat. Why are you playing this obstructionist game tonight?

Interjections.

Mr. Chairman: Order, please! Inasmuch as the Chair was not aware of the proposed amendment, and in order that I may have a little time to reflect on it, perhaps we might stand down the amendment and come back to it in a few moments.

Mr. Cassidy: Mr. Chairman, on a point of order. I do hope the parliamentary assistant comments on this because I had understood from the previous discussions that he was prepared on behalf of the government to accept it. I am not sure whether this is a split in the cabinet or what, but there does seem to be some dissension in the ranks over there.

What I wanted to say was this though—specifically in response to the point raised by the hon. the House leader—in the budget the Treasurer promised to introduce the Ontario youth employment program, which is what we have before us here, and then said: "This program is expected to provide a 16-week subsidy for up to 20,000 young people at a cost of $10 million." And then details are outlined later in the budget.

Now, the point is that the amount of money is not changed one jot, tittle or iota by this particular amendment. The decision about changing the amount of money, I presume, is in the hands of the Treasurer of the government and ultimately the Legislature. The amount of money allocated for the program is not affected because a ceiling has been put on it in the declaration of policy by the Treasurer. Therefore, I submit that this amendment is completely in order as simply broadening the category of people who are eligible to split the $10 million allocated for employment support.

Mr. Jones: Mr. Chairman, while you consider the point of order, perhaps for clarification I may add that it is true that I was aware that the member for Huron-Bruce had in mind what he felt would perhaps be an improvement in an amendment that he would like to bring forward as we moved into committee. It is true that I expressed both here and to him personally that I could see certain merit in that.

[8:45]

However, I also would like to share with the House that I can see some very real problems at this point in time as we consider the point of order and whether this should come forward. I would say that there have been several of those 10 per cent of those employers who have been disallowed and that you would have, to say the very least, one horrendous problem of administration to go back to seek them out if your sense of fair play is going to apply.

Mr. MacDonald: It's like your first-time homeowner's grant. You have had a lot of horrendous problems.

Mr. Deputy Chairman: Order, please. The parliamentary assistant is really speaking to the amendment rather than to the point of order. Again I would ask the members of the committee to give me a chance to reflect and stand down section 1(b) and we'll come back and deal with it late.

Hon. Mr. Welch: If I may be allowed only to say this in reply, I do say with the greatest respect for the member for York South that he would be the first person to suggest that rules were made to expedite the handling of business here. I think we have in fact seen some evidence of that even in this bill, where we've been prepared to allow people to wander away from principle.

I think it's important to establish in this early stage of this Parliament whether rule 86 in fact does apply. I've heard nothing as argued before the Chairman of this committee which really is a rebuttal to the main point that I raised in raising Bill 86, that it can't help but increase—

Mr. Nixon: You can't be serious.

Hon. Mr. Welch:—expenditures under the bill. It greatly increases the number of employers who may be eligible.

Mr. Nixon: But it can't.

Hon. Mr. Welch: That's the point, and we'll leave it with the Chairman to suggest as to when changing something to a business that's been in operation for 30 days or a year doesn't increase the number of eligible people.

Mr. Stokes: Maybe you can explain how you are going to increase the overall amount funded for the program.

Interjections.

Hon. Mr. Welch: Where are there limitations on the amount?

Mr. Breithaupt: Without really wanting to repeat myself, I must say that the government House leader says that nothing has been argued to show that this is only permissive. I again refer him to section 3 of the bill, which simply states that "the minister may make grants, etc., to eligible employers." What is being done here is to simply widen the class

of those who might be eligible to apply for grants. Obviously the granting of funds to a certain total cannot be exceeded. It may be that you will have 1,000 applications where you had 900 before. But surely this does not commit the government to the spending of any additional money.

Mr. S. Smith: Of course.

Mr. Deputy Chairman: Perhaps the committee might agree to my suggestion of standing down section 1(b) in order that I may reflect and make a ruling on the point of order that was raised by the government House leader.

Mr. Cassidy: Mr. Chairman, I want to comment on another matter related to section 1(b). May I simply read rule 86 into the record in view of the fact that the House leader is resting his case on that particular section?

Mr. Deputy Chairman: I think we all have it before us. Perhaps we could come back and discuss 1(b) in its entirety in a few minutes or later on this evening.

Mr. Cassidy: Okay. I just want to say then that after we dispose of that amendment I would like to raise a different matter related to 1(b).

Agreed to.

Mr. Deputy Chairman: Any other comments, questions or amendment to any other section of the bill?

Mr. Renwick: I have a comment. I hope the parliamentary assistant can assist me with section 1(i) which reads: "prescribed means prescribed by the regulations." As we are about half way through the period from April 19 to September 16, which the Treasurer announced is the termination date of this particular program, I'm curious to know whether or not the regulation is now available which establishes the program and the other terms and conditions of its operation, in draft form I assume.

Mr. Jones: A working copy of the criteria has been available and has been adhered to through the program. If we were talking to the amendment, for example, just to give you one case in point, where the one-year situation was being discussed, there were criteria set that we might get into if we come to that debate. It has been essentially set, but with there not being legislation in place we have worked in concert with the subsidies branch. It's its responsibility and the Youth Secretariat's to try to hold true to the bill as proposed, although it wasn't in legislation.

Mr. Renwick: Mr. Chairman, I wasn't speaking to the amendment. I raised it at this particular point in order that we could have available to us the draft of the regulation which, as you say, is a working paper which was used for the purposes of the program.

I would hope that the minister would provide the official opposition and ourselves with a copy of that regulation, because the guts of the bill is in the regulations which will establish the program. They will determine all the terms and conditions under which it will operate and which have been of so much concern to members of this party and others in the House during the debate.

Mr. Jones: Mr. Chairman, there are no regulations available in a formal sense as yet, except, as I say, a list of guidelines that we're readying to be used.

Mr. Renwick: May we have the guidelines?

Mr. Jones: Specifically the points that we are finding being raised would eventually come out in formal regulations once the legislation is passed. I'd be happy to share the few working ones.

Mr. Renwick: I do want to emphasize—and I wanted to raise it at the earliest point in time—the whole purpose of the Act is to establish a youth employment program—it is to provide for the establishment of that program and the whole of the program is to be established by regulation. It's now, as I say, 75 days—

Mr. MacDonald: The program's half over.

Mr. Renwick:—75 days since the Treasurer introduced it and 75 days from the termination of the program as announced by the Treasurer in his budget. Surely there must be something which will be promulgated by way of regulation to authorize this programme before September 16. And if you don't have a draft regulation, then I think that we're in serious trouble about the bill. I would ask that whatever guidelines or whatever rules you have established be made available to us because, presumably, ultimately they will find their way into the regulation.

Mr. MacDonald: Mr. Chairman, let me just add a word. This becomes more and more bizarre. You've been operating for half of the program without the bill having been passed —circumstances that were under your control, perhaps, are responsible for that. But here we are with half the program over and you haven't even got regulations. You're operating illegally.

Mr. Nixon: Can't have the regulations until they've got the bill passed.

Mr. MacDonald: You can have certain guidelines and you may mull over them and reflect over them, but at some point surely,

when you're halfway through the program, you're going to promulgate your guidelines and make them regulations. I submit you're operating illegally.

Mr. Makarchuk: Not only that, but you're doing it with my money.

Mr. Chairman: Order, please.

Mr. Jones: Mr. Chairman, the guidelines that I speak of have been available. There's no big clandestine cover-up or anything about them. I can tell you they're contained primarily in the brochure that we made available to help explain the program to employers so we could get the program going. They could allot jobs; they could see if they qualified, so they could proceed. The guidelines are contained in the brochure that was made available through Manpower offices and through chambers of commerce offices.

And so essentially that is the proposal. Once the legislation was passed there would be the drafting of the regulations and the passing to the committee of regulations.

Mr. MacDonald: Posthumous regulations.

Mr. Jones: Also, in appendix B of the budget they were set out in the form we've been working with in this early stage of the program.

Interjections.

Mr. Chairman: Order, please. The member for Ottawa Centre.

Mr. Cassidy: Thank you. I say this partly to the House leader. He said a few minutes ago that he was concerned early in this stage of the Legislature that certain of the rules be adhered to. I would like to bring to his attention, and ask the parliamentary assistant as well to pay attention, to section 43(8) of the provisional standing orders of the Legislature which says: "After any policy statement or introduction of a government bill, the government shall table a compendium of background information of the type proposed on page 50 of the second report of the Ontario Commission on the Legislature."

I won't read the rest, but I would like to ask the parliamentary assistant, was such a compendium of information tabled at the time that this bill was introduced in the session prior to the election? And what information has been added, if any, to that compendium with the reintroduction of the bill at this time? Because I personally, as critic related to this bill, have not seen either.

There may have been a compendium of information which did not reach me prior to the election, but certainly there has been no such compendium of information right now. I say this to the House, Mr. Chairman, through you, that if this rule is not going to be adhered to then a basic spirit of the new rules is being compromised and being ignored.

Hon. Mr. Welch: That would be part of the budget speech.

Mr. Jones: Mr. Chairman, yes, I understand that when the bill was reintroduced the compendium of information was supplied—to the library for one and, I understand, to both the critics as well. So essentially, it's the budget and the information added to that, plus a whole explanation—the detail of the breakdown of the plan as it has been working to date and as proposed.

Mr. Cassidy: On a point of order. I feel, obviously, we're going to have to learn how to work this. For one thing it's going to be like "Button, button, who's got the button?" I may admit that the difficulty may be over here but I'm not aware that this compendium arrived over on this side of the House—at least as far as the third party is concerned—particularly if there was a detailed presentation of how the plan was going to work. I can't say, from the words that have been uttered by the official opposition, that they've displayed any knowledge of having seen that particular presentation either. Perhaps the assistant would like to send that over, because that would be very helpful while we undertake a clause by clause study.

Mr. Peterson: We have not seen anything, at least in my hands, on this particular issue. The member for Ottawa Centre is quite right.

Mr. Cassidy: Perhaps we shall stand the committee stage of the entire bill at this point until the parliamentary assistant can find us that information and give us the necessary compendium. I think it is vital if we're going to look at the details of other stages of the bill.

Mr. MacDonald: We must operate by the rules.

Mr. Cassidy: That's right.

Hon. Mr. Welch: We could adjourn then.

Mr. Cassidy: Pardon?

Hon. Mr. Welch: Would you like to adjourn then for the night?

Mr. Cassidy: I'm sorry, you're the House leader. I believe there are other bills that the Minister of Revenue has got. Alternately, if that material can be gotten for us in a short period of time we can have a look at it.

Hon. Mr. Welch: The parliamentary assistant told you that this material was tabled at the time of the budget. That's last April. Surely to goodness that's the point he was making. It's in the budget. It's part of the budget paper.

Mr. Nixon: He said "when the bill was reintroduced."

Mr. Chairman: Order, please, I wonder if the parliamentary assistant could clarify that point.

Mr. Jones: Yes, essentially, as I was saying earlier, Mr. Chairman, the information of which the concern was raised surrounding the regulations was essentially that in the budget and the material that accompanied the budget. Then, when it was reintroduced, I understand that that information was resupplied yet again, including to the library as provided in the rules.

Mr. Warner: You must have mailed it.

Mr. Cassidy: Mr. Chairman, the assistant said, though, that the information which came out this time—and I would point out that this bill—what's the number of the bill? Bill 7 or Bill 11—it's a parliamentary fiction, I realize, but this bill bears no relation to any bill ever presented before in this Legislature—by consent, material that had been given before can't be included with it but it can be deemed to be included with it.

Hon. Mr. Welch: Do you give your consent?

Mr. Cassidy: Sure, if I knew what has been given to us before. But the parliamentary assistant has said that there was a detailed breakdown of the plans for the presentation of this particular program, or words to that effect. Of course, we have the budget documents. We've looked at the document that went to Canada Manpower Office, although I don't happen to have one with me. But there was some other detailed information of which he speaks and which I think is the right of the members of the Legislature to have a look at.

Mr. Grossman: Who is quibbling now?

Mr. Jones: The working material that we have for our own clarification and that of the Manpower offices who work in concert with us have consisted of—yes, the one you talked about that is available in the Manpower offices which sets out the eligibility and the criteria—and appendix B which essentially sets out in the budget the outline of the bill—and the bill was intentionally kept in simple terms.

[9:00]

We heard so much suggestion that the program would be ignored, or the program would not be looked upon with favour by the private sector if it was made too complicated. With that in mind we tried to keep all of our explanations and outlines in the simplest terms, yet adhering strictly to the principle set out in the bill.

Further we had some working documents that assisted us in those that would be eligible and wouldn't—for example, a list of programs that might be excluded under the bill, such as different commissions and different boards that wouldn't fit into the criteria. We had those and you are welcome to them—federal Crown corporations and lists such as that.

We understood that both opposition parties had the benefit of everything that we had available to us as we put the program to work.

Mr. Cassidy: On the point of order or whatever we are on right now, I am upset by this. I would like an assurance from the House leader that we don't get this kind of situation again. Perhaps one of his assistants, or somebody else in the Cabinet Office, should make sure that this material does come forward on every bill in future so that we don't get into this kind of situation.

It's a damned nuisance for us to have to pick up the phone and say, "Where is stuff which should have been tabled?" but which has not in fact been delivered. The member for London Centre may think differently. If he is agreeable, we could probably go through the detailed consideration of the bill in view of what the parliamentary assistant has had to say. If he has reservations, on the other hand, I don't think the House should go forward without the agreement of both opposition parties.

Mr. Peterson: I think our party takes this view. We are not happy about the procedure, and I think it has been well and fairly brought up by the members of the party to the left. I don't see any merit at this particular point in prolonging this bill. It is halfway through the season. We are already, in effect, passing it retroactively. As we said the other day, we don't see any other alternative in the circumstances but to pass it expeditiously.

We do have a particular suggestion. My colleague has moved an amendment. We want to proceed with that as soon as the Chair has a ruling, but we don't see at this point any merit in fooling around any further.

Mr. Chairman: It has been drawn to my attention that they are still consulting. Possibly we could just wait for a few minutes more.

Mr. Cassidy: I gather from what the member for London Centre said that he is prepared to go forward with the bill. I just want to ask the parliamentary assistant: Can he give us some explanation of what the civil servants were doing between April 29 and June 9 in particular, and why regulations

were not drawn up during that period of time so that we could have had them before the House at this time? In particular, what does this mean as far as employers and people who will work under this program are concerned? If they happen to need the protection of the regulations, they will find that they won't have anything to rest on until after the program has expired.

Mr. Jones: Mr. Chairman, it is true that the program, and we talked to this in earlier debate, is an entirely new program as I am sure we all appreciate. It was a program that had a sense of urgency about it, which was expressed by all parties in the House during the Throne Speech debate in particular. The government worked with that same sense of urgency to try to get the program in place as young people were coming on the market which was being added to by summer students and first-time job seekers.

The regulations were not proceeded with. That would have been presumptuous without the legislation, yet we did adhere to these criteria as set out in the bill and as set out, of course, in the budget documents. Again I say to all the members of the House—knowing and recognizing it as a new program, wanting to perfect it, to make sure that it works without some of the abuses that people were concerned about—we were asking people to share any of their thoughts and any suspicions of abuse and any specific information on them that they can give to us. We pledge ourselves to share any information you might wish about how it works, and of course take that into consideration for any improvements we might bring to the bill.

Mr. Cassidy: Thank you. Two other questions, Mr. Chairman. The member for Lakeshore (Mr. Lawlor) has expressed my opinions about the statement just made. The date of September 16 is exactly 110 days, or 15-5/7 weeks after the beginning of the program. In view of the late start of the program, and in view of the apparent very sudden increase in applications to the program which occurred between June 27, when the Treasurer (Mr. McKeough) said about 10,000 applications had been submitted, and today when the assistant says about 15,000 applications have been submitted, I want to know whether that particular date is intended to be absolutely rigid, so that it is impossible for any job that began later than May 30 to last for the full 16 weeks, or whether it is now intended to have some flexibility in the termination date for this summer employment program.

Mr. Jones: Mr. Chairman, I know at this time of no plans for any change in the final date. However, I can assure you that we in the youth secretariat, as we talked of this whole issue of youth unemployment, are very mindful that the problem goes on and not at all timid about bringing this to the attention of the government. I have to say that I cannot close the door on that, that we won't be speaking to the appropriate minister. However, I know of no plan at this particular time, if that's of any help to the member.

Mr. Cassidy: It sort of tells it the way it is, doesn't it?

Mr. Chairman: I might draw to the attention of the members the fact that—a member drew it to my attention—section 56 of The Legislative Assembly Act, and in case those studying the amendment are within hearing, section 56 states that the assembly shall not adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the consolidated revenue fund, or of any tax or impost to that purpose, that has not been first recommended by a message of the Lieutenant Governor to the assembly during the session in which the vote, resolution, address, or bill is proposed. I just draw that to the attention of the members for their future reference.

Mr. Renwick: You should draw it to the attention of those who are considering the validity of that equivalent provision in The British North America Act on the basis of which that particular section is modeled. We may be involved in a constitutional crisis of immense proportions over this whole question raised by the House leader. I don't think he had any intention of provoking a further constitutional crisis over this particular bill.

Hon. Mr. Welch: I wouldn't want to make John Robarts' job any more difficult.

Mr. Chairman: I will just ask the members to be patient while we await a message.

If there are any other questions or comments on any other section, certainly it is in order.

Mr. Renwick: Section 2, Mr. Chairman.

On section 2:

Mr. Renwick: This follows along the point that I raised about the technical definition of the word "prescribe" as meaning prescribed by the regulations. I am very much concerned that the whole of this program depends on the regulations which will be promulgated, published in the Gazette, and made retroactive. What my colleague, the member for York South, in his much more direct way than mine chose to call "illegal," what he is very much concerned about is that some time after September 16 in the Ontario Gazette will appear a regulation, after the event, awarded posthumously—like the Victoria Cross—when

the program is all over, making it retroactive to April 19.

But none of us will have ever seen the regulation under which the actual ongoing program functioned. I am very much concerned about that, because for practical purposes, if the government doesn't have a regulation in place very soon under this program, there is no way in which anybody is going to be convicted of an offence for a misuse of the program, or an abuse of the program, if in fact the regulations are not promulgated until some time after September 16.

I'm not interested in the legal technicalities of it. I think I had assumed—and I now understand mistakenly—that when the bill got into committee the parliamentary assistant would be in a position to say, "Here are the draft regulations which will be promulgated as soon as this bill is passed," because the very same regulations provide for the very question that my colleague, the member for Ottawa Centre, raised as to whether or not it's your intention to extend the duration of the program.

Here in section 2 we have a reference to summer job opportunities. Well, you know, summer is a measurable period of time. It generally ends on September 21 in this part of the world. I'm really worried that in your youthful anxiety to get on with this program you are creating immense problems at the end with respect to accountability, with respect to abuses, and with respect to the inability of this assembly, because of the non-disclosure provision later on in the bill, ever to be able to get to the question of whether or not the program is properly accounted for.

I think they're really serious problems. I would assume that if what the parliamentary assistant is saying is that the basic regulations are simply going to be a rewording of the documents and guidelines which you presently have, then I'd be quite satisfied. We can then say these are the regulations in draft form which are going to be promulgated at a later date. We can then talk intelligently about the problems which are of concern to members of this caucus—that is, how do you make certain that the person isn't substituting a youth in his employment in place of somebody whom he otherwise would have employed in the ordinary course of his employment program?

I think it's fair to say that with the experience of the home owners' grant that we are anxious to help the government from stumbling into that kind of an accounting mess at the end of this program—regardless of your good intentions, which are never, of course, in question.

Mr. MacDonald: Of course not.

Mr. Jones: I thank the member for Riverdale for his comments and in truth I suppose all of us expected to see this bill in place very much sooner than today. As a matter of fact the committee on regulations on which I sit would have expected to see this today. I can remember the House order we had hoped for indicated that the bill was to be dealt with last Wednesday, I believe. We expected, if that had been the case, that the regulations would have been in hand and dealt with at this Monday's regular meeting.

It is true as we talk about some of the criteria that we've had to continually go back to the spirit of the bill as it is outlined in the budget papers in trying to achieve a sense of fairness and an equal interpretation for all the many different kinds of employers who have come forward on the new program to ask questions. So I share exactly your concern. We would have liked to have seen the bill in, of course, way back on the date we all know when.

As to the regulations, I understand they would be available very, very shortly and that's why we're anxious to see the legislation in place. I can tell you that the regulations will be adhered to and administered in the same spirit that has been explained during this first period of the brand-new program with the employers.

[9:15]

Mr. Bounsall: Further on section 2, Mr. Chairman. I realize that in my remarks on second reading my questions would probably be more appropriately placed during the clause by clause. The parliamentary assistant did not reply to the one point raised by myself on second reading. I wasn't in the House for all of it, or listening to the box upstairs for all of it, but I understand that it wasn't raised. My point was on the analysis of this program. I went on at some length over the presentations which we received in the select committee on highway safety about the need for this on any program. Did the secretary reply or did I miss his reply on that? If not, I would like to have him respond to that point now. How many dollars are being spent and what kind of analysis is being made as to the work of the program?

Mr. Jones: My apologies to the member for Windsor-Sandwich. I would be happy to share with him information on the program that is already under way and what we propose to follow up this program. We have, as I was mentioning earlier, a working relation-

ship with the Canada Manpower offices. We also have the two offices of the subsidies branch of the TEIGA ministry, together with the youth secretariat, joined together in a program to give a very detailed analytical study of all the area breakdowns.

In fact, we already have early reports on that. This will give the nature of the jobs, salary components, and a host of data on the problem. It will, we hope, give the best package of information anybody could have in the province. As a matter of fact, without the program we couldn't hope to have anything like this kind of information.

As to the cost, we are using our regular staff. They have built up an expertise over the last two to three years they have been studying the whole youth and summer-employment problem. That will not necessarily require any large added cost. It will probably require some cost in computer runs to bring that information together. In the last program of that nature—last year we completed the second phase of a summer program, a lot of which went into the makeup of this program—the computer cost runs were somewhere in the order of $5,000. That was being assisted by two separate ministries doing two separate parts of work on the computer runs.

I recall well how we shared the advice of expert after expert telling us, "Fine; you have a program that appears to be working, but if it is new then the value lies in knowing exactly what you have accomplished and where you can improve it." Without that, a lot of the value of the program goes by the by. So we understand that.

I appreciate your comments. Yes, we are joined in making that one of our major thrusts, to find out every single possible thing we can from the workings of the program, aided by future program design.

Mr. Bounsall: I appreciate that the youth secretary has certainly agreed with my concern over making a thorough analysis of the program. I am a little worried though, with no additional staff being added, whether we are going to get out of this program analysis exactly what we should be getting out. Could the parliamentary assistant assure us that the following data will come forward, or if not, ensure that if not at this point, it will come forward from these analysts?

What concerns me is, were the jobs useful? Were the jobs created by this program meaningful, both to the employer and his profits—which is, of course, what concerns the government over there—and to the person who was employed? Was the whole program worth it? Were the jobs useful and how much profit did this generate for the private sector —for the dollar per hour put into it by the government? I would like to see that careful dollar figure come forward which should be quite easily brought forward if the proper survey is done. Can he assure us that this will be done, or will he assure us that he will see that this is done? I feel that this must be done.

Secondly, you refer to the same type of program run near the end—was it the Experience 76 program from which you got that or to run this one?—has that been published anywhere and have I just missed it? Or where is that useful background data from which you've based this program? Probably it's been made available and I've just missed it.

Mr. Jones: Mr. Chairman, I heard the member for Ottawa Centre making comment on it and he was the person who did raise that question and was following the progress of that report. There was some delay because of computer runs and some of the things we needed to bring it to a useful working purpose. However, it is in hand now and just being put into the final working stage and it will be shared with several levels of government.

I happen to have, I think, the only copy in captivity that has just come off in the last couple of days. But it will be available, and it's very useful in primarily the summer student context because that's who it concerned. To give you some idea of the extent of it, it wasn't any small sampling, there were no fewer than 5,000 employers surveyed as to summer employment and some 2,000 students. So you can appreciate that that is giving us some very high accuracy.

In the new program I can reassure the member that yes, indeed, we are providing in this new structure a very complex set of criteria that will probably give us a highly accurate reading on some questions that we've had. For example, even our early samples tell us what the proportion of skilled versus unskilled might be. These are things we want to know—who would respond to a program like that. We want to know such things as the proportion of the jobs that were created under this stimulus, as to those that would be individuals, those that would be corporations, those that would be partnerships. We naturally want to know where they are in proportion to the youth employment.

We know simple things such as the student unemployment situation. The north —say, the northwest—would have about three per cent of the student population of the overall province, and yet we designed our program purposely knowing there are

fewer job opportunities in that part of the province. So that, say, our summer Experience programs would provide something like 10 per cent of the jobs in that area. The same would be for the northeast and so on.

We also expect to be able to determine—we have some rough ideas already—how they break out; food service industry, retail, farming, tourist, clerical, wholesaling, finance, and the various types of jobs, and exactly where they are in, say, a Metro area such as Toronto or other regions. We can only accomplish that, of course, with a very sophisticated system but I think you can appreciate just how valuable it will be.

So I do assure you it is being done with some expertise behind it, and not sparing any time, talent or for that matter, if it was needed, the money, to make sure it would give us exactly the maximum we can attain from having run this program.

Mr. Bounsall: Mr. Chairman, I certainly appreciate the work that has been done in the Experience 76 program which the youth secretariat now has in hand and I am glad to be reassured on the type of analysis which will be done.

However, because you now have that study in hand, which I agree with you has a significant number of persons sampled in it—the 5,000 employers and the 2,000 students—could we have that? You've got one copy extant, but could we have that provided to us—at least maybe one copy for the two opposition parties, for those of us within these parties who are statistically inclined?

I certainly would like to have a look at that, and fairly soon and possibly before we get through the committee stage on this bill, which now looks like it may well go into tomorrow, because that gives us some idea of the type of job and where it will be found and where it will turn up as proposed by this Act.

Mr. Jones: I would undertake to provide this material to you as early as possible. But I can tell you that this particular copy is a computer run-type document and bears no resemblance to anything that someone could follow down and make sense of and tie to this bill and how we came to be there. I will undertake as soon as the copy is in a finished-up form to supply copies to both caucuses at a very early date. We hope to be able to supply as a follow-up some of our early reports that will lead into our final statistical date on the OYEP program too.

Mr. Cassidy: The member for Windsor-Sandwich is an engineer by trade, a professor of chemistry by avocation, and has a great deal of experience in reading precisely that kind of print-out. I think the member for Bellwoods (Mr. McClellan) who is a social scientist knows more about, has learned and has forgotten more about regression analysis than most of us ever learned. Surely if the parliamentary assistant for youth feels himself qualified to read computer print-outs, well so do we. I don't see why that material couldn't simply be Xeroxed and sent over. That's the kind of thing which we should have had for this particular debate. Will the parliamentary assistant agree to have that Xeroxed and let us have it now?

Mr. S. Smith: I would still like to meet a guy who was a professor by avocation.

Mr. Jones: I'm not trying to hold anything away from anybody. I tell you truly, unless someone had the code charts that are still at the college premises that created this, with all due respect to the member for Bellwoods, I don't know if it would be of any help.

Mr. Warner: This whole thing is a mess.

Mr. Jones: I asked to have this for today and it wasn't completed. They forewarned me that it wouldn't make any rhyme or reason, even though I'm working with those statistics on a regular basis. Yet I wanted to see it so as to have in my hands the statistics so far along as they were. They have graphs and charts but they have no code to them yet. If the member would just be patient we would have all of that shortly, within the next few days.

Mr. Warner: In due time.

Mr. McKessock: I think Bill 11 is a good bill and a constructive program that is going to allow our young people to get good business experience. I also believe the one year is too long a period to have to be in business before you can make use of this program.

Mr. Chairman: I might remind the member we're on section 2 of the bill. Section 1 is under review at the moment. We're discussing section 2.

Mr. McKessock: It was on section 4 that I really wanted to question the parliamentary assistant.

Mr. B. Newman: I wanted to make comment on section 2 and ask the minister whether he can provide me the information that I request. Apparently the purpose is to achieve increased employment of youth in Ontario by creating new summer job opportunities. Is the minister taking into considera-

tion the index of unemployment among youth in various communities, in addition not only to the index but the numbers of youth unemployed, and as result provide more job opportunities to these communities in which the employment index is the greater and also where the numbers of youth unemployed are the greater?

Mr. Jones: I was answering a question previously where I was demonstrating that we do that on programs where we can administer it. For example, I was mentioning the Experience program which as an employer is setting an example for the private sector. Yes, we do encourage the 18 ministries that we co-ordinate under the Experience program to address themselves to jobs in the areas where we have from our statistics the knowledge that the greater need is.

[9:30]

However, in the program to be provided by this bill there is no method whereby we can go and instruct employers or do anything other than the same for every employer across the province that falls under and complies as eligible under the bill to make the proposal that they would have that dollar grant. However, as I was just saying to an earlier speaker, it is going to give us considerable information that might also help employers as they make their plans about where the unemployed are.

We do know some of those statistics at this point in time. But under this program it's really up to the normal working process. Once we've given the dollar inducement for every employer that will make them create new jobs across the province then it's a matter of the employer seizing that opportunity and creating them.

Mr. B. Newman: Mr. Chairman, you are still limiting the number of job opportunities that are going to be available. My concern is that if there is a greater need in a given community because the numbers of unemployed youth are greater, and also that the index of unemployment is greater in that community, and you have more individuals or businesses that are willing to provide the jobs, there should be some preference given to the communities in which that index of unemployment is the greater and the numbers of unemployed are greater. I'm referring to youth only.

Mr. Jones: Okay. We are talking youth only and that was the reason that I brought something else into the discussion, namely the experience. Under this program, true, there may be a greater number of young people in a particular area. This is a new pilot project. It's going to tell us in many cases. We've known about students, but we haven't necessarily known about youth employed, and we don't have any help from other levels of government with a high degree of accuracy on it. It will give us some new information of that nature.

However, we are able to make proviso under some of our other programs, namely the Experience program, where we can pick up that slack. Where we know there is a greater need we have been able to, and have, increased the number of jobs available through that program, for as you know we have some 11,491 across the province this year, a rather considerable increase.

Mr. B. Newman: How do you pick up those additional job opportunities under the Experience 77 program when the Experience 77 program is completely filled today?

Mr. Jones: Indeed, Mr. Chairman, the Experience 77 program is filled and it was filled early, and I think that's probably a credit to the fact that—

Mr. B. Newman: Even before applications were sent in in some communities.

Mr. Jones: Well, I suppose that could happen in some cases. I've never heard of any community having that situation occur to it, but certainly there has been a habit by young people, and I don't suppose we should blame them, to send in many more applications—maybe a first, second and third choice. So we get quite a flood, as you well know, of applications to the program. I think again it talks to the fact that they know they're gaining experience, something they are going to need as they go forward into that transition from school to work in a tight market.

We have very intentionally designed more jobs under the Experience program into some of those areas where we found youth unemployment during the summer months to be greater. But we haven't yet come up with any system where we could do it under this program. Not that we wouldn't consider it if we could devise it.

Mr. Cassidy: Three or four specific questions; I think they can be answered quickly. The parliamentary assistant gave us some details about the number of applications now in. I believe he said about 15,000 of which about 13,000 have been agreed to.

I'd like to know how much money has been committed; how many jobs have actually been approved; what's the estimated average length of the jobs that have been approved; has he any breakdown about the kinds of jobs or the kinds of industries—he

has mentioned the salary ranges: $2.15 to $4 or thereabouts—and can he give us any impressions at this stage about the locations of those jobs, particularly with reference to jobs under this program in eastern and in northern Ontario? I know he's spoken in part about that, but not fully.

Mr. Jones: Mr. Chairman, as to the estimates of the length and duration, they tend to vary, of course, as to whether they're purely seasonal or whether they have the prospect of going onward the full 16 weeks. They average to date 12 weeks, so that takes in some of the shorter ones and, of course, it takes in some of those that are taking advantage of the 16. We do have a constant breakdown of the numbers of employers and a breakdown by every town. So if someone were to ask me, at this point of time, how many of those applications there were, let us say, in the Ottawa district: in total there have been 4,763 requested and 1,928 of them have been approved—now this isn't the latest overall list but that was at June 15. The latest overall figures from across the province will come to my hand shortly, I suspect, but that will give you some idea. Then, of course, there is the the breakdown Ottawa—Arnprior, Belleville, then Pembroke, and so it goes. So that information is available to us.

You were asking about the proportion of jobs by sector, I believe. We are finding that it varies. Because of the largeness of the central region, which we call the Toronto region, versus the other regions we did break it down and we had some differences.

For example, one of the categories was food services. I notice that in the Toronto area it was 12 per cent, whereas in the other regions it was 23.9 per cent.

Naturally, you would get something in the farming area. In the Toronto area it was 8.6; outside the Toronto region it was running greater than that, but for an average of 10.

Tourist was running pretty well consistently across the province at 8.2 per cent. As we got into some areas such as resources there would be nothing in the Toronto area but in the north there was something like 6.0 per cent, to give you some idea where some of those jobs were falling.

All of that statistical data, as I say, is just now rapidly starting to come to hand, but that will give you some idea of what kind of care we're putting into bringing it all together to give us a really hard-core, concrete, accurate, province-wide assessment.

Mr. Cassidy: There are two questions the assistant did not answer. How many jobs have, in fact, been committed? And how much money has, in fact, now been committed—assuming that the applications that have been approved go forward for the time for which they have been approved?

Mr. Jones: Mr. Chairman, the method by which the program works is that we have approved so many applications. We know that the employers are running an average of two jobs per application at present. At this point we wouldn't have an update as to the accurate numbers that the employer has filled to date. Once he's had the approval from us, we wouldn't know how many of them he has in place actually working, because the normal process goes into work.

One thing that wasn't touched on in the debate—and that I think is important to this discussion—is that the student would go to a Manpower student centre, or go to a Manpower office, for example, and he ask about an employer who is taking advantage of this program. Then he can use his initiative and go to that employer, or he can take one of these applications down to a potential employer he might have in mind and do a sales job and ask if he could take advantage of this program.

So there is that type of process in work as well as the normal filling out of applications, seeking something in the window and, of course, following up the advertising that takes place in all of the newspapers. So the normal process is taking place.

I didn't give the total number of employers here earlier in the discussions. They are in that figure we were just discussing; I think the figure I mentioned to you was 13,000. That's the number of applications approved and, of course, they are running too. How many of them are in place or how long they might go for we have no way of knowing, except to know the jobs that have already been filled are to run 12 months on the average. That is the indication from the employer—12 weeks, I'm sorry.

Mr. Warner: I have a couple of questions related to section 2, in particular the wording at the end of that last sentence, which is "will provide young people with work experience and skills that better equip them for full-time participation in the labour market." Unless I am mistaken, there already is some jurisdiction for that kind of mandate within the community-college system, and within manpower retraining.

I am wondering if you have established any formal connections with the Ministry of Colleges and Universities so that there would

be a potential involvement through the college program; if you have any formal connection with the manpower retraining program in the community colleges, and if you have any serious intention of developing these programs for more than the one year?

Is there some way that this program will extend beyond the dates that you mention? I don't mean as a specific program, but the concept of it. In other words, do you have some idea in mind of working with the community-college program? In many cases, in many of those programs offered in community colleges, the idea is, through part-time work, to bring about the kinds of skills needed to equip students to participate in the workforce.

That's the idea behind many of those courses in the community college, and similarly with the Manpower retraining program. There are sufficient faults in that Manpower retraining program that what you have set out here could, in fact, be worked into a Manpower retraining program if you worked at it.

Now there is nothing in the bill to indicate that you have any intention beyond the date specified, or that you have any intention to take the concepts of this and work with the community colleges, or with manpower retraining. I would be interested in knowing if the thought had occurred to you at all, or if you have any specific plans whatsoever.

Mr. Jones: Given the problem of youth unemployment, the government—as I think is clearly demonstrated and set out in the budget—is looking at new, innovative ideas on a constant basis.

Yet we do want them to be well thought out, carefully designed and piloted despite the urgency that we are up against with the large numbers.

We don't, through OYEP, have anything in mind like what the member is discussing. But we have a very open mind about the whole thing. The government did, as you know, in that very same budget, allocate from the 1976-77 funding of $3.5 million a rather dramatic increase to 7.4 for OSAP, which is very kindred to the type of program you are discussing.

The Minister of Colleges and Universities (Mr. Parrott) is very much a proponent of the program, and has demonstrated a very high success rate. I understand there are programs in that ministry to bring it forward.

The member asked if we stay in close contact with that ministry. I can assure you we do. For example, one of the programs is Venture Capital, which gives young people opportunities to work in the summer, creating their own jobs, and there's the summer achievement program operating in concert with the Ministry of Colleges and Universities. I would say that in pretty much all of our work we would be in close and constant contact, as we will as we go forward with new programs of design.

[9:45]

Mr. Warner: Part of that question was left unanswered; the Manpower retraining. One of the constant criticisms of that program was that there was not a sufficient amount of time for work experience. I am wondering if there is any way through your Act whereby a person who is part of the Manpower training program could also be eligible for your program which would supply the work experience which isn't met by manpower training.

I realize Manpower retraining is a federal program and that you would have to negotiate that sort of arrangement. But what I am concerned about, from the students that I have met over the past while, is that the person who is into that Manpower retraining program often is a person who desperately needs that work experience, who lacks confidence in going back into a work situation, who has had some difficult times in previous jobs, and for a variety of reasons is into the Manpower retraining program, but really needs that work experience. For whatever reasons, the federal government doesn't see fit to add in enough work experience weeks, and I am wondering if that can be compensated for through your program.

Mr. Jones: I know of no reason why some youngster couldn't be a recipient of a job in this program here, and that same young person would be able to fit that around Canada Manpower training, or some kind of training in a college or another program design. We have tried to be as fair as possible with the examples—people ask them about the minimum number of work weeks that they would provide under the program. I think we would be inclined to be especially so where it was married up with our intention to help them gain experience. Of course, wherever they can get the confidence that comes with that experience, if they do need some manpower retraining off the actual job site, we would be more than 100 per cent in favour of it. I couldn't see us ever letting the program work counter to that avowed intention.

Mr. Makarchuk: Mr. Chairman, I am a little bothered by that section as well, and I suppose it would be okay if the—

Mr. Chairman: Did the hon. member mention section 12 or section 2?

Mr. Makarchuk: Section 2, Mr. Chairman. It would be fine if the section ended up "by creating new summer job opportunities. Period. But the section continues and says it will provide young people with work experience and skills that will better equip them for full-time participation in the labour market. When you look at the kind of jobs that these students are taking, and the kind of jobs that are available for them—you are a gas jockey, or you are a floor sweeper, or you are a dishwasher, or a waiter, or you are a canning plant worker, or you are a fish filleter, or a chicken plucker, or something like that—those are the kinds of jobs that are available.

In a sense, it demonstrates this government's lack of any kind of commitment or dedication to produce meaningful jobs for people who are coming on the labour market. If you sit over there, and if you think that the youth of this country or the youth of Ontario are going to look at this job experience as a meaningful job experience which will provide them for better work for the rest of their life, you are crazy, or just have no concept of what the heck these people are all about, or what kind of work that they deserve, or what kind of work we should create in our society.

It's silly to put that in paragraph 2, or to think this is going to provide them with a meaningful job experience. If anything, it certainly is a stop-gap measure, and somebody had to do that kind of work, and that work has to be done, and I am sure that each and every one of us here has at one time done that kind of work. But to say this is going to equip them for something greater on into life for the future is just idle rhetoric. It is idle nonsense to put it into this kind of legislation.

I want to repeat that in effect this paragraph says your government just doesn't have the capacity or dedication or even the knowledge, the ability, to create the kind of employment for our young people so that they can go to a job in the summertime and continue later on to something greater—that would equip them. If anything, to work in some of these jobs, what it really persuades them is that there is no point in working.

Hon. B. Stephenson: Every job is a good experience.

Mr. Makarchuk: You sit and pluck a chicken day after day and it isn't going to help convince you that work is the greatest answer to anything like that.

Hon. B. Stephenson: You wouldn't know what end to start on.

Mr. Makarchuk. That's all you are doing. Again, as the secretary said earlier, we are going to depend on the private market to develop these jobs and so forth. Well, no other civilized nation in the world depends on the private market solely to develop jobs for its youth or for the people of this country.

Mr. Grossman: Like Marx or Lenin.

Mr. Makarchuk: And the sooner you get off that policy and get to some sort of modern reality—forget Adam Smith—

Mr. S. Smith: Something as modern as what—Marxism?

Mr. Makarchuk: The sooner you get back to something more modern in your economics, the sooner you'll start doing something about jobs instead of just putting nonsense into your bills.

Mr. Jones: Mr. Chairman, I don't know where the member got his list, but I haven't seen chicken pluckers on any of the lists that I've seen.

Mr. S. Smith: What's wrong with chicken pluckers?

Mr. Jones: I don't know that there's anything wrong with them anyway.

Mr. S. Smith: Do you want a mouthful of feathers when you eat chicken?

Mr. Jones: I haven't seen one so I'm not too worried about that.

Mr. Gaunt: I want to know what is wrong with a chicken plucker.

Mr. Jones: Don't put down the value of an experience to a young person who is presently suffering frustration. Only now through this plan a new job has become available. So don't put down the value that person puts on that job being available to him even if it is a first job, even if it were picking and plucking or whatever type of job that has to do with chickens.

Mr. S. Smith: That's right.

Mr. Gaunt: Picking and clucking?

Mr. Jones: But I know this, be it in a receiving or a shipping side of a company and maybe it is hefting and lifting, the fact is that he has an exposure, he's learning the basic disciplines of work and he's happy to have that job and it can lead him on in a career.

Mr. Germa: Chickens are Tories.

Mr. Gaunt: Who does the picking and who does the plucking?

Mr. S. Smith: It is better than a welfare handout.

Section 2 agreed to.

Hon. Mr. Welch: This bill has had second reading.

On section 1:

Mr. Deputy Chairman: Order, please! The member for Brock had raised a point of order concerning an amendment proposed by the member for Huron-Bruce. I had reserved my decision on this matter and am now prepared to deal with it.

First may I say that this points out the desirability—

Mr. Gaunt: I know a heavy hand when I see one.

Mr. Deputy Chairman: —of having amendments before the Chair in the recommended time before the sitting of the committee. The member for Brock, one of Her Majesty's ministers of the Crown, was concerned—

Interjections.

Mr. Deputy Chairman: Order, please. — was concerned about standing order 86 and the financial initiative of the Crown.

Mr. S. Smith: You are obviously being overruled, Bob, to get all that flattery on the first part.

Mr. Deputy Chairman: It is difficult to imagine any decision of the House which would not have the effect of creating a public expenditure. However, I must rely on the exact words of standing order 86, the key words being, "specifically direct the expenditure of public funds."

Mr. Nixon: You have read those, have you?

Mr. Deputy Chairman: As was pointed out by the member for Kitchener (Mr. Breithaupt), section 3 is permissive and there is wide latitude for the minister to make restrictive regulations under section 10. While the effect of the amendment is to broaden the definition of those eligible to receive grants, it would not make the payment of them obligatory. In other words, it would not specifically direct an expenditure, although it would permit such a payment should the Crown wish to make a payment. It would appear to the Chair, therefore, that the financial interests of the Crown are protected and an amendment is in order.

Hon. Mr. Welch: He has forgotten.

Mr. Deputy Chairman: Does the hon. member for Huron-Bruce wish to speak to his amendment further?

Mr. Gaunt: Mr. Chairman, I have already spoken to it once. I thank you for your ruling, sir. I certainly agree with it, obviously, otherwise I wouldn't have introduced the amendment.

Hon. Mr. Welch: Where is that in the Act?

Mr. Gaunt: I am certainly not specifically directing the allocation of public funds as you have properly pointed out. I believe the parliamentary assistant has indicated that there will be, has been, in the budget $10 million allocated for this particular program, and it's within that expenditure framework that I proposed the amendment. Certainly there is no thought on my part to further extend the expenditure of the government beyond the $10 million.

Hon. Mr. Welch: Where is the ceiling in the Act?

Mr. Gaunt: So I just wanted to underline that once again. The whole purpose of the amendment is to allow the qualification of employers who up until this point have been in a position of not qualifying because they haven't been in business for the required one-year period. Many of them have commenced business within the last year. Certainly in many instances people with whom I have talked have said that as far as they are concerned they need this particular assistance more in the startup period than they do later on when they have had a chance to carry on business for a period of time and accumulate the necessary capital and so on that usually goes with an extended period in business.

Really, the thought behind the amendment is to make this program available to new employers who have been in business for a one-month period or longer. It perhaps can be said that they really don't have a very long track record at that point, but I think it is fair to say that they do have enough experience and their intention obviously was to go into business before they had any knowledge of this particular program.

I hope the minister will give this some consideration. I know he feels this amendment would cause undue hardship and difficulty in trying to reassess the applications which have already been rejected. It seems to me that that could be rather easily dealt with in that all the ministry has to do is notify the Canada Manpower offices of the change in the requirement. I would presume most of those Canada Manpower offices would know of the applications which have been turned back on the basis of not being in business for a long enough period.

Hon. Mr. McKeough: Nonsense.

Mr. Gaunt: The Treasurer says "nonsense."

Mr. Nixon: He is just back from the Albany Club. That is what he always gives them down there.

Mr. Gaunt: The program is being worked through the Canada Manpower offices. Surely they have some handle on the program.

Hon. Mr. McKeough: You are the greatest federal Liberal apologist that ever was.

Interjections.

Mr. Nixon: We are going to vote for them, and they are going to win.

Mr. Gaunt: I say to the Treasurer it is nice to have him back.

Hon. Mr. McKeough: They'll put you in the cabinet. You'll get your reward.

Interjections.

Mr. Deputy Chairman: Order, please. Perhaps the hon. members would give the hon. member for Huron-Bruce the courtesy of listening to his debate.

Mr. Gaunt: I say to my friend from Mississauga North, if there is some particular difficulty in reassessing the applications which have already been turned back on the basis of not being in business long enough then let's hear it, because I really don't think it presents that great a difficulty.

Hon. Mr. Welch: Just withdraw the amendment.

Mr. Jones: Mr. Chairman, if I may reply.

Mr. Makarchuk: Mr. Chairman—

Hon. Mr. Welch: Adam Smith wants to speak.

Mr. Deputy Chairman: Does the hon. parliamentary assistant wish to respond?

Mr. Jones: Indeed. On the comments about the one-year period mentioned earlier, I did say, and I say again, that there is a lot of merit for consideration in a program like that. I would undertake to make sure that in any future program that I might have involvement with that that could be looked at in a very real sense. I do recognize that there are a lot of good new firms that maybe would be able to make use of and give a benefit to the young people.

However, I think the member understands, and we have had it in the debate earlier, that this was not a bill for the benefit of new firms; other sections of the budget as you know dealt with that. Rather it was for the empolyment, and employment with an experience component wherever possible, of young people. And, of course, the chances are less when you have a brand-new firm, with all the frailties of a new business.

[10:00]

There is a possibility a young person might have the unhappy experience of the firm maybe not having its feet quite down to give him the maximum benefit of time spent with him in learning and training so, hopefully, he could go on.

The other very big matter that causes me considerable concern is that at this point in time—and we talked about the urgency before—if we were to have this amendment, I can visualize a horrendous administrative nightmare. If a sense of fair play is involved, I don't know how we would go back and find all those people who had come through a Manpower office or phoned our office to inquire and we had described the criteria to them but they perhaps had passed on taking on some staff because they didn't apply. Or how would we say to new people henceforth, "Oh, yes. The bill is in place now; there has been an amendment, so you will be eligible. But your friend has gone without; he called and had to be turned back"?

Hon. Mr. Welch: It is just not fair.

Mr. S. Smith: It is not exactly complicated. If you qualify by the date, you qualify.

Mr. Jones: I think a sense of fair play would suggest to us that we should consider that for future programs or a future plan or that next year is the time we should be considering it. I would undertake to do that, but for this year, for this bill that is already in place, I just suggest that it could be a horrendous nightmare and a sense of fair play is something that bothers me considerably.

Mr. S. Smith: No, it is no nightmare at all.

Mr. Cassidy: You don't apply that universally, you know.

Mr. Makarchuk: I think one of the things this program typifies, Mr. Chairman, is the fact that this is what happens when a government, in an effort to meet an election deadline, brings in half-baked legislation—not thought out, not considered, not taking into account all the implications that may flow from the legislation. They try to rush it through, announce it before an election, as a gimmick to try to get themselves a majority —in this case not very successfully—and then come back to the Legislature and try to fulfil some of their commitments after the program. If the government was serious about this thing, initially it would have dealt with it as it should have been dealt with; it would have brought it before the Legislature, as is expected in constitutional and common sense —that is, the money comes from here and has to be voted by the people in this place before the government goes ahead and commits

itself to spending. If the government had done that, then we wouldn't have this problem right now of trying to sort out exactly whether or not we are going to give it to the ones who have been in business for a year.

What bothers me about this particular amendment at this time is that it again seems to open the road to abuse of the program. This is what is of concern to me.

Mr. McClellan: It's already open.

Mr. Makarchuk: We've gone through this before, where governments have big programs—mostly, as I said, the programs using the taxpayers' funding—to buy votes for the Tory party, and they are trying to put one in here. Somewhere along the line, I think this Legislature has to call a halt to some of these things and say that if we are going to put in a program, let's put it in properly and stop these giveaways and nonsense that the government seems to be so fond of.

Mr. Breithaupt: Socialist realism.

Mr. Makarchuk: If there was ever a party for giving away money, it's the Tory party; let me assure you of that.

An hon. member: Right on.

Hon. Mr. Kerr: Get to the point.

Interjections.

Mr. Deputy Chairman: Order, please. Perhaps the hon. member would return to the particular amendment that Mr. Gaunt has moved.

Mr. Cassidy: He's right on.

Mr. Makarchuk: Yes, Mr. Chairman, I will get right back to it.

Hon. Mr. Welch: This bill would have been passed.

Mr. Makarchuk: When we come to a situation where we allow a business that has been in operation for a month, how do we assess that a business has been in operation for a month? Is it the date they are incorporated? If it is a small business, is it the day he opens a bank account for the business? He could have a series of bank accounts—for pizza takeouts or whatever it is. He could have all sorts of other businesses lying around; he could resurrect one any time he wanted to and say, "Yes, I've been in business for two months, three months, etc." Consequently, I feel that if the amendment is accepted, we are going to run into this kind of problem—

Hon. Mr. Kerr: Horrendous.

Hon. B. Stephenson: Cynical misogynist.

Mr. Makarchuk: —where people will be taking advantage of this particular program in an unjustifiable way.

Hon. B. Stephenson: He has sauerkraut juice running in his veins; that's what is wrong with him.

Mr. Deputy Chairman: Order, please. The Chair cannot hear the hon. member for Brantford. Would the hon. members kindly refrain from all of the discussions in the Legislature?

Hon. B. Stephenson: You should be grateful.

Mr. Grossman: It is worse if you hear it, Gordon.

Mr. S. Smith: Be thankful for small mercies.

Mr. Grossman: Start over. It may be better the second time.

Mr. Makarchuk: Do you want me to start from the beginning, Mr. Chairman?

Interjections.

Mr. Deputy Chairman: No. Order.

Mr. Makarchuk: I have had suggestions that I continue from where I was a little while ago. It is a feeling that is justified on the basis of what's happened with the home ownership program, the first-time home buyers' program, and consequently I think we have to look at this rather critically.

The other point I think important in this amendment is that if it was a situation—and, perhaps, the minister's assistant can clarify this—if it was a situation where the total amount of money allocated for this program was not used up by people who have been in business for a year, then perhaps he might want to open up the gates a bit more to allow other people to get in on this program. However, I think when you look at the rather paltry sum of $10 million in terms of job creation, I have a feeling that people who have been in business for a year or more will more than adequately use up the funds available. Therefore, I question the need to support this particular amendment.

Hon. Mr. Welch: Well, join us and vote against the amendment.

Mr. Jones: May I answer a couple of the questions? I have to say I have shared a little frustration at this bill not being in place. I can remember clearly when there was what seemed to me—

Mr. McClellan: You know who to talk to.

Mr. Jones: —very much some grandstanding private member's debate taking place at a time when I hoped that some of that might be waived and we might have got on. So, it certainly wasn't an intention on this side of the House to delay things; it certainly wasn't a political ploy.

Mr. Cassidy: Talk to the member for Brampton (Mr. Davis).

Mr. Warner: Who called the election?

Mr. Jones: As to the member's question about the amount—

Mr. Cassidy: That is gratuitous, too.

Mr. Jones: —yes, we do have every indication from the figures I was sharing with the House earlier that those amount of jobs approved seem to more than generate the number of actual jobs that those funds would satisfy.

Mr. Germa: Sure, everybody wants a handout, every businessman in the province.

An hon. member: Are you against the bill?

Mr. Nixon: I want to rise in support of my colleague's amendment because I would hope that the parliamentary assistant would act on his first response. As I understood him properly, before the House leader went up and whispered to him, he indicated quite clearly that he felt that there was substantial merit to the amendment as was put forward, that his only objection seemed to be an administrative one, and that those people who had applied for this sort of assistance and were turned down because they have not been in business more than a year, might feel that they have not been dealt with fairly.

I would suggest to him that this should not be an insurmountable obstacle, that this Legislature was returned by the election with the composition as we know it. It appears that the NDP—if the member for Brantford is speaking on behalf of that party in this response—is not prepared to support the amendment. But I see that he is undertaking a little consultation at the present time as well.

And I would certainly suggest to you sir, and to the hon. member for Brantford and the de facto leader of the NDP, the member for Riverdale (Mr. Renwick)—

Mr. Grossman: Congratulations, Jim. Speech, speech.

Mr. Nixon: —the pro tem de facto leader—to look at the obvious merits of this situation. All he has to do is recall the situation that has been brought to his attention as an hon. member—where people have been turned down by those administering this program on the basis that they have not been in business for a year. Imagine the outrage they must feel. Look at the circumstances.

One specific case I can recall is of a young couple from London who bought a business in the constituency of Brant-Oxford-Norfolk —a very wise decision on their part—and they wanted to expand it. This was an ideal opportunity for them to hire some young people in the community to take on these new jobs. Admittedly, it would be a business advantage for them. But I don't see why we or the Treasurer, fresh back from dinner at the Albany Club, should object to providing assistance for these young people establishing a new business.

Mr. Germa: Hire somebody in the Albany Club.

Mr. Gaunt: You are against all new business.

Mr. Nixon: If there is assistance for them as an ancillary benefit to this excellent program, surely the Treasurer should be the first to speak in favour of it, rather than to cast his usual aspersions.

Mr. B. Newman: It would be like corporate concentration.

Mr. Grossman: You just lost the NDP.

Mr. Nixon: So I would suggest to you, Mr. Chairman, that this is an excellent opportunity for this minority Legislature to see the advantages that would accrue, not only to the young people which are our primary concern in this legislation, but also to the small businessmen. We could take the responsibility as elected representatives to co-operate with the Manpower office and even the administrators in the youth secreariat to see that those people who had been turned down for what we now feel to be insufficient reason, are contacted. We should explain that if the Legislature were to pass this amendment, they would now be eligible. I can assure you that it would be a very fair and judicious way to proceed and I would hope that the parliamentary secretary would indicate that the government would support the amendment.

Mr. Jones: Mr. Chairman, as a point of clarification, it is true that I said there was a certain merit—there were certain pros—to this situation in some examples.

Mr. S. Smith: Then you spoke to one of the cons.

Mr. Cassidy: Some prose, but no poetry.

Mr. Jones: And I also pointed out, both here in debate and in discussion with the hon. member moving the amendment, that I also had reservations about it as well—that there were cons. Some of those and the major of them were, yes, to be sure, the administrative problems of it—

Mr. Germa: The whole thing was a con. You were conned.

Mr. Jones: —but also the fact that you can best guarantee useful experiences and potential onward-going employment from an established employer.

We have, however, been interpreting in the fairest of manners just what is a year and

what is a new employer. I'll give you two points as examples. As one example, you would take a situation where there'd been an established business and there had been a new proprietor come to that business maybe two months ago. Already there has been approval of that type of situation.

Again, you might have an example where there was someone that had been an established business person in one line of endeavour who had gone out and established another business. Maybe it hasn't been a full year in the new one, but they continue to have the interest, they do have their roots and they do have that established employer background experience. We have been allowing them.

So this is why I am saying we haven't been disallowing every situation where they are not a full year in place.

Mr. Worton: Now the truth is coming.

Mr. Jones: What I was saying to the member was that it had a lot of merit and that I would carry it forward to another program. But taking the pros and the cons of it, I would very strongly prefer not to see the amendment to this bill, with the program already in full flight and added to those other reasons—

Mr. Worton: It is not what you know; it is who you know.

Mr. Jones: —added to the big problem of administration—on top of the other cons.

Hon. Mr. Welch: Question.

Mr. Warner: Mr. Chairman, in no way can any of us over here condone the fumbling and bumbling that's gone on with this business from its very inception. But at this point in time it seems that perhaps at least some members on one side of the House have mistaken the purpose of the bill, and that is to supply job opportunities for youth. That is different from trying to prop up a small business.

If the government were really concerned about small business, they would do something about it. They certainly wouldn't go increasing their property taxes by 21 per cent. They would supply the assistance that's needed.

Mr. Nixon: Falling in love again.

Mr. Warner: But in this particular instance, we have some legislation in front of us whose primary concern is for job opportunities for youth. It is in that light that we must make every attempt to protect those young people who are seeking jobs. Surely it would be entirely cruel to allow someone to be hired by some fly-by-night operator who's been in business for a month only, and has not established any credibility in the community.

Mr. S. Smith: Oh, what nonsense.

Mr. Warner: Surely the requirement of being in business for one year is a reasonable requirement. I see absolutely no reason for changing that. At the same time, the government should—

Mr. S. Smith: A buck an hour. Really. How many references should he need?

Mr. Warner: Certainly not a reference from you. At the same time, the government should clearly recognize its failing in not having dealt with this long before this date. If you were really serious about creating job opportunities, you would have done so many months ago when the planning should have been done. So I don't accept the excuse that you've already put the program in place and, now—

[10:15]

Mr. MacDonald: Not just as a pre-election gimmick.

Mr. Warner: —part-way through you can't go changing those rules about the one-year eligibility. I think the only safe grounds to stand on are those that, surely, a year to be in business is a responsible kind of precept to accept. On that basis, obviously, the only reasonable and sound thing to do is support it.

Mr. Nixon: Just to vote with the Tories. You should resign.

Mr. Warner: Who said "resign"? I was saving that for the parliamentary secretary, who has bumbled this whole thing.

Mr. Peterson: I just want to add one word in support of my colleague. It seems to me that it's just a very little to offer fledgling entrepreneurs, people that are trying to get started. Good God, the Treasurer is always yapping about free enterprise.

Mr. S. Smith: That's right. That's all he does is yap.

Mr. Peterson: He is always making noises about it, but doing nothing to foster it. I can tell you right now that the whole system as we know it is going to fail without people developing new things, the entrepreneurial spirit, and giving a little bit of help to some of those people that are starting sometimes.

It's not a dramatic program. It's just a little program. But it's not going to take very much more from you, with all of the administration that you have, to make this thing adaptable along the lines my colleague is suggesting. Good Lord, we should be going to young people and saying: 'Start your own

thing." We should be assisting with those kinds of things.

We should be assisting those new young businesses that need help at the critical time. This is part of that whole package, and I say to you that the spirit of this thing is very important. I think what you end up with is the old argument about supporting the status quo. You have an opportunity here to do something new, to give a little bit of help when it's most needed to some kinds of new businesses. According to you and, I'm sure, according to us, it won't be that many. But let us not be so niggardly. Let's give the people a hand who need a hand.

Mr. Bounsall: I would suggest that the government is "right on" in not supporting this amendment—

Mr. Cassidy: No, that's a surprise.

Mr. Bounsall: —because of the very late date it's now coming before us. As the secretary would know, we wanted as much as he did to have this bill debated on May 2. It was a decision which, of course, was taken out of our hands, the fault of which must rest at your feet over there, collectively, amongst the front row of the cabinet benches.

But the reason which, of course, I would give for not changing the program at this particular date is the way it would screw up your statistics-gathering program which you've so carefully laid out, and will be presenting to us.

The very carefully thought-through collection of data which was gathered from the tail end of the Experience 76 program, and which we will all have in our hands in an organized form within a few days, as you promised.

I think changing it at this point—having no idea of how many of those people had inquired before that you can't get back to again and which Manpower, in its customary way has kept no record of, and so on—would be a grave mistake.

I support the government for that particular reason and for that attitude.

Mr. Hennessy: Mr. Chairman, with all due respect, the opposition have mentioned that they want to cut it from one year to one month. They have no figures to verify whether it's 800 people affected, four people, no matter what it is. They haven't got any figures whatsoever. All they want to do is bring it from one year down to a month, without any figures whatsoever. We don't know how many people are affected by this.

Mr. Cunningham: But they never stop the Treasurer.

Mr. Hennessy: What I'm saying is that in your argument if you had some facts—but you haven't got any facts whatsoever. Don't get mad fellows, it's the truth. Don't get mad about it. You're filibustering and you're talking about it. But you have no facts and no figures to back up your statements. I say you're completely wrong.

Mr. MacDonald: They are flying by the seat of their pants, just like you are.

Mr. Deputy Chairman: Is there any further discussion on Mr. Gaunt's amendment?

Order, please. Does the committee wish the Chair to reread Mr. Gaunt's amendment?

Dispense?

Shall Mr. Gaunt's amendment carry?

All those in favour.

All those opposed.

In my opinion, the nays have it.

I declare the amendment defeated.

Does the hon. member for Ottawa Centre have any further discussion on section 1?

Mr. Cassidy: Very briefly, Mr. Chairman—

Mr. Deputy Chairman: Order, please.

Mr. Cassidy: Very briefly, Mr. Chairman, I just want to reiterate—

[Applause]

Mr. Deputy Chairman: Which subsection?

Mr. Cassidy: After two hours on their amendment, they want us to stop talking.

Interjections.

Mr. Deputy Chairman: Order, please. Which subsection?

Mr. Cassidy: Mr. Chairman, I did mention that I had another point to raise on that same subsection and it was agreed that I could raise it.

Just very briefly, it is obviously too late to make any changes to it now, but if this is ever done again, I do urge the government to consider the municipalities, which can responsibly be involved in this kind of a program as well.

We think it is wrong—we think it is desperately wrong for the government to have ruled out the possibility of municipalities participating in this particular program for youth employment. We think that they have legitimate and valid job opportunities to offer. We think that a number of the arguments that have been offered for the private sector to allow young people to get involved and to learn certain skills can surely apply at the municipal level as well.

I see the Treasurer is beginning to foam at the mouth about this particular program. I put it to the youth secretary, who is perhaps a bit more sympathetic.

Section 1 agreed to.

On section 3:

Mr. Renwick: Mr. Chairman, I would like to ask the parliamentary assistant what the amount of the grants that have already been made may be.

Mr. Jones: At this point in time, I wouldn't suppose that any cheques have gone forward, if that's what the member is referring to. However, the best we have is, of course, these figures we were giving you of those applications from employers that have been approved. I suppose we can calculate some dollars to them, if the maximum is utilized.

Mr. Renwick: So I take it that no actual payments have been made to any of the persons who have applied under this program at the present time?

Mr. Jones: No, the program came in on May 30 and I wouldn't think there has been time for any payments to have been made. I might just add, strictly for the benefit of the House that most of the employers, when we said to them that they could have their grants within the four weeks, said they would be happy to wait for the 12 weeks or the 16 weeks—whatever they were entering for that employee.

Mr. Renwick: Is it the parliamentary assistant's intention that there be any further check on the bona fides of the applicant before the actual payments are made as authorized by this bill?

Mr. Jones: Yes, on a constant basis.

Mr. Renwick: What would that be?

Mr. Jones: We have a combination—visitation is probably one of our main ones and a phone system in addition to the application procedures. One of the main checks is that we visit every one of the employers singly.

Section 3 agreed to.

On section 4:

Mr. Bounsall: On section 4(1)(a), the youth secretary will recall that on second reading I commented on my concerns about the dismissal and suspected dismissals in order that other people be hired on jobs, reclassified and renamed and reshuffled in order that that be hidden. I caught his remarks just before supper time where he indicated that this was not his experience with employers—this was not what the chambers of commerce were telling him about the types of job that would be created.

Several of his colleagues, when the hon. member for Brantford was speaking, were expressing some surprise and dismay about the type of employer which he referred to who could resurrect bank accounts and what have you that would qualify them within the year. One of those persons was the Minister of Labour.

I asked the parliamentary assistant was he doing any checking with the employment standards branch for those employers who consistently, in the normal routine of business, have infractions of The Employment Standards Act in the normal course of employment, so that under this section, and under the penalties section referred to in a later section of the bill, section 8, those employers could be carefully scrutinized.

I am not saying that one should not, perhaps, approve the application. But then one should immediately start making the checks. As the Minister of Labour should know, if she has ever sat down with the employment standards branch, they classify employers by both employer name and by firm name. And when you, as I have for five and a half years, have brought infractions to their attention, in half of the infractions they say, oh yes, our file is very thick on that employer. It is that type of employer. When you ask the employment standards branch to give the names of the owners and the establishments on which they have a thick file, that would be a profitable list that I think you should scrutinize; those lists of persons who appal the very people in the chambers of commerce that you have been talking to and who are asking you to run this particular program.

I would like the parliamentary assistant to comment on that, and would he speak to the employment standards branch and immediately get a handle on those employers. The hon. member for St. Andrew-St. Patrick was appalled, of course, at the examples raised by the member for Brantford. Of course, there are no employers of that kind in St. Andrew-St. Patrick. I might say there are no employers in Windsor-Sandwich of that type. They are now all in Windsor-Walkerville, the boundaries having been redefined.

But I would like to hear whether the parliamentary assistant will, in fact, avail himself of that kind of information which is readily available now in the employment standards branch.

Mr. Jones: No, we haven't as yet. I think I described all the other mechanisms in place through Manpower and through our checks and that of the subsidies branch. But we will take it under advisement. It sounds

very worthy, and we will bring it forward for consideration. Thank you for the thought.

Mr. Peterson: I made a mistake. I was under the impression that the member was speaking to section 3. I just have a couple more questions on No. 3. Is that permissible?

Mr. Deputy Chairman: Well, the section was carried.

Mr. Peterson: I apologize, but I was under the impression that you were speaking to that.

Mr. Deputy Chairman: The section was carried. It would be up to the members of the committee whether they wished to revert, but technically the section has carried.

Mr. Peterson: Well, I am in your hands.

Mr. Deputy Chairman: It would seem that the committee has not given consent. It isn't unanimous. Perhaps we should go on. Any further discussion?

Hon. Mr. Welch: I would just like to consult with the House. It is 10:30, adjournment time. We should normally rise and report. I thought if this bill was very close to being completed, in order to expedite consideration of other bills, we might try to finish it. But I would have to have the unanimous consent of the House. Is there a lot more discussion to go on this bill?

Interjections.

On motion by Hon. Mr. Welch, the committee of the whole House reported progress and asked for leave to sit again.

On motion by Hon. Mr. Welch, the House adjourned at 10:30 p.m.

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Clerk: Roderick Lewis, Q.C.

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An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council and parliamentary assistants, appears as an appendix at the back of this issue.

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LEGISLATURE OF ONTARIO

TUESDAY, JULY 5, 1977

The House met at 2 p.m.

Prayers.

HARTT COMMISSION

Mr. S. Smith: I rise on a matter of privilege, Mr. Speaker. There appears in today's Star a column under the name of Jonathan Manthorpe which suggests that Mr. Justice Patrick Hartt has taken our proposed amendment regarding the English and Wabigoon River system—which you know about and which will be coming up later—as an insult to himself and an indication of lack of Liberal confidence in his abilities. It also said that he felt that my amendment was tantamount to a statement of no confidence in himself—

Mr. Lawlor: Look what you blundered into.

Mr. S. Smith: —and that he was very strongly hurt by this.

Mr. Lawlor: You have to think before you act.

Mr. Roy: Misguided as usual, Patrick.

Mr. S. Smith: I want to tell you that I have just been speaking with Mr. Justice Hartt and he has indicated that at no time has he felt any of these things attributed to him in the article. He has never considered resigning. He is in no way of the opinion that this was an insult to him or an indication of lack of confidence. And, in fact, he doesn't understand where this entire article has taken its information from. He's denied completely the information there.

In as much as being a member of the House, I am quoted here as allegedly insulting a justice of the court and indicating no confidence in him; and in as much as that is, first of all, false, and secondly, denied not only by me but even by the justice of the court, it seems to me that my privileges as a member have been in some way imperiled and I rise on a point of privilege to bring this to the attention of you and the House.

Mr. Speaker: The hon. member has taken the right action by bringing it to the attention of the House.

Statements by the ministry.

ORAL QUESTIONS

Mr. Conway: It's a dog's breakfast over there.

Mr. S. Smith: My goodness!

Mr. Roy: Where are all the heavyweights?

Mr. S. Smith: I'll just stall a little bit. You never know who might walk in.

Mr. Riddell: It is always nice to see the Minister of Agriculture and Food (Mr. W. Newman), he is carrying on a fine tradition.

OHC LAND SALES

Mr. S. Smith: Perhaps I'll ask a question of the Minister of Housing, for no better reason, Mr. Speaker, than that he's one of the rare ones who happens to be here at the moment. Is it true that Ontario Housing Corporation is planning to sell small, single-family lots in the Malvern area of Scarborough to builders for $33,000 each, on land which cost the province in conjunction with the federal government, approximately $3,000 an acre to acquire and to hold? Is it a fact the corporation is selling at this price; and isn't it true that under those circumstances it will be impossible for builders to provide reasonable homes under the AHOP program or any other program to make housing affordable?

Mr. Deans: Isn't that your normal policy in any event?

Hon. Mr. Rhodes: I can't say the price will be as indicated by the hon. member, that it would be at $33,000. But he is correct that the land would be sold as a result of an arrangement, an agreement, with our partners the federal government and the agency thereof. We had indicated at the time the program came into being that we would be selling the properties at the low end of the market, but I would have to inquire as to exactly what that price would be. I'm not sure the figure of $33,000 would be correct.

Mr. S. Smith: By way of supplementary, does it strike the minister as being a very reasonable housing policy to bank land for years and years at a very low price in order to let it on the market in dribs and drabs, as any speculator would—

Mr. Laughren: What do you think the speculators were doing?

Mr. S. Smith: —rather than in fact loading the market—

Mr. Laughren: That sounds like Liberal policy.

Mr. S. Smith: —with lots which people could afford, under circumstances where they could get a decent home for a decent price?

Mr. Deans: Tell him to look up what Stanley Randall told me in 1968.

Hon. Mr. Rhodes: The policy has been as it was announced at the time the program came into being—

Interjections.

Mr. Speaker: Order, please. The question was asked of the minister, not the other members. The hon. minister will continue.

Mr. Deans: We know the answer.

Hon. Mr. Rhodes: When the program was announced, we stated we would market the land at the low end of the market as it existed in the particular area.

Mr. Wildman: Your markets have no low end.

Mr. S. Smith: That's for sure.

Hon. Mr. Rhodes: The hon. member knows full well that we have never attempted to simply flood the market with lots, and certainly not at the book value.

PICKERING AIRPORT

Mr. S. Smith: A question for the Minister of Transportation and Communications: Will the minister tell the House clearly whether he has ever indicated that if the results of the southern Ontario passenger study were to indicate a need for a second airport, he will resume talks with Ottawa on a servicing agreement for a new airport?

Hon. Mr. Snow: At a meeting held in the board room at Toronto International Airport attended by Mr. Lang, myself and representatives from the tri-municipal committee, I believe they are called, including Mississauga, Brampton and Etobicoke, there were discussions regarding this matter. I can't tell the hon. member today exactly the phraseology of my answer to a question, but as I recall, it was something along the lines that following the completion of the southern Ontario transportation study, which was entered into in the fall of 1975 jointly by Transport Canada and my own ministry, if that study unequivocally stated, or the conclusion was that there must be a second Toronto airport, then I would be prepared to discuss with Transport Canada the necessary services or provincial responsibilities that would be connected with the same.

That's how I recall the answer; because when the study was set up, when it was agreed, I believe back in December 1975, that we would set up this joint study to look at all modes of passenger transportation in southern Ontario, one of the conditions of the study placed by Mr. Lang at that time was that the option for a Pickering airport must be maintained during the term of the study. In other words, nothing would be done during the time the study was going on that would prohibit the possible building of an airport at some time in the future, if and when it were needed.

Mr. S. Smith: By way of supplementary, is the minister basically saying now that, depending on the results of this study he is, in fact, prepared to see the servicing provided for the Pickering airport? Is that not a reversal of the position he took two years ago? One might call it a flop-flip.

Hon. Mr. Snow: What was that word?

Mr. Breaugh: As opposed to flip-flop.

An hon. member: That's because he does everything backward.

Hon. Mr. Snow: Mr. Speaker, I didn't make any commitment to the supply of services at all, or any commitment or suggestion that I felt the results of the study would be such that it would recommend the construction of that airport. I was making a statement that if, after this two-year study is carried out jointly by my ministry officials and Transport Canada officials, and with the use of outside consultants probably, if the result of that study and the recommendations state, whether it be in 1980, 1990 or 2000, that there must be a second airport for Toronto, then I would be prepared, of course, to discuss this with the federal minister. I made no commitment to supply services at all.

Mr. Sargent: As the minister well knows the Island Airport is a very valuable asset to the city of Toronto. What is he going to do about finalizing this project? He's been talking about it for a long time. What's coming in the future about this?

Mr. Speaker: Is the member asking what's going to happen at the Island Airport? If so, that's not supplementary to this particular question.

Mr. S. Smith: May I ask a supplementary, please, that is supplementary?

Mr. Speaker: Yes.

An hon. member: Try again, Eddie.

Mr. S. Smith: Could the minister explain whether the southern Ontario passenger transportation study, which apparently is now going to be the study which determines whether or not we have the Pickering airport, provides any opportunity for public input? If not, can he give a guarantee that there will be an opportunity for public input before he and his officials agree to service the land to provide for the Pickering airport?

Hon. Mr. Snow: Mr. Speaker, this study has been going on for some period of time now. It was anticipated when the study started that it would take two years. From the latest information I have, I believe the officials feel that it may be slightly more than two years. The earliest we might expect their report now would be perhaps the end of the first quarter of 1978. Basically, this is a technical study looking into all the different modes of transportation, existing facilities and what might be needed in the future. I'm not aware of any proposed public hearings. They're not a hearing body. They're the technical representatives of two ministries carrying out a study and they will put forward recommendations from it.

Mr. S. Smith: So we have no guarantee of public input.

INDUSTRIAL WASTE DISPOSAL

Mr. Deans: Mr. Speaker, I have a question of the Minister of the Environment. Is the minister aware of the recent statement made by Mr. Edward Turner of his ministry, the assistant director of the pollution control branch, that there are some millions—ranging perhaps as high as 40 millions to 50 millions—of gallons of poisonous industrial waste being dumped in the province of Ontario, in fields all across the province; that the ministry is aware this is going on and that the ministry can do nothing to stop it?

[2:15]

Hon. Mr. Kerr: I discussed Mr. Turner's statement, I think in an interview with a reporter from the Globe and Mail, if it's the one the hon. member is referring to. One of the points Mr. Turner was making was the fact we have a lot of industrial liquid waste sites around the province, such as the Beare Road site which is something like a landfill site without any mechanical treatment of any kind, where industrial liquid waste is being disposed.

These sites operate under a certificate, they are operating with the approval of my ministry and are operating under surveillance and continuous monitoring. Whether or not there is industrial liquid waste being disposed clandestinely in some way, or illegally in some way, there is no question that some of this is being done. We are attempting to control this by new regulations which we have passed and also by a way-bill system whereby the haulers have to indicate where they are picking up the liquid, where they are hauling it to and where they are disposing it. That is indicated on the way-bill and through the way-bill system.

I have indicated to this House time and time again that our attempts to open up new disposal sites, whether they may be a deep well in Haldimand-Norfolk or a plant in Mississauga, have been met with a great deal of frustration and difficulty because of local objection. I am even having difficulty getting some of these applications to the Environmental Assessment Board because of certain machinations by people who are opposed to the proper disposal of industrial liquid waste. As long as we are frustrated in establishing proper sites, there will be a certain amount of illegal disposal.

Mr. Deans: Supplementary question: Is it not true the liquid industrial disposal sites that are presently in the province of Ontario and being monitored by the ministry would not take any more than half of the total amount of industrial liquid waste that's being sent out from the various plants in the province and dumped? Whatever became of the minister's 1971 commitment when he said that if it were not possible, or if it met major roadblocks, he would, as part of the ministry's program, institute plants for the treatment of industrial waste and he would move on it—at that point he said with as much haste as possible.

Hon. Mr. Kerr: We do have sufficient disposal facilities in Ontario at the present time for proper disposal.

Mr. Deans: But they are only taking about half of what's being disposed.

Hon. Mr. Kerr: I know, but the fact is that because there are still some landfill-type of sites which are much cheaper than delivering to a plant which destructs industrial liquid waste, the haulers of course are looking for the cheaper type of disposal. That's why we have the regulations and the way-bill system. A great amount of this material is also being exported, shall we say, into the United States to a site at Lewiston in New York. In other words, the people that are operating these plants want as much volume as possible to make the plant pay. However, we feel we need more plant-type or mechanical-type of disposal facilities because, for example, Beare Road will close

at the end of this year; and certain other deep-well, particularly Detroit formation-type of wells in the Lambton area, will also have to be phased out.

(Applause).

Hon. Mr. Kerr: I hear the member for Lambton (Mr. Henderson).

Referring to the statement made in 1971, that statement was made, but then Tricil built a plant in Mississauga which we thought would be our answer. Unfortunately, because of the degree of combustion, it can't handle all types of industrial liquid wastes. That is the problem. Hopefully, we can get the company to enlarge that plant. There is a possibility that they will now.

Mr. Deans: When?

Hon. Mr. Kerr: This year. I am meeting with them next week. We are also still looking at the Cambrian-well disposal. As I said before, we are talking about something that is about 4,000 feet deep. It's absolutely safe.

Mr. Cunningham: Halfway to China.

Hon. Mr. Kerr: Halfway to Peking, right. We still feel that is a safe method of disposal and that possibly the government itself will have to take over a well, lease a well, and get into that type of disposal. That, of course, will have to be done after proper hearings under The Environmental Protection and The Environmental Assessment Acts; but we still feel that all the information—technical,.. scientific.. and otherwise—that we have about Cambrian-well disposal is that it is absolutely safe if it is properly handled.

Mr. Speaker: May I also suggest to the ministry that unduly lengthy answers create a certain amount of restlessness, so would you please answer the questions completely but as briefly as possible.

Mr. B. Newman: Supplementary: May I ask the minister what control he has over liquid wastes coming in from the United States and being either trans-shipped from Detroit through to New York, or simply brought into Canada for disposal at some of our sites?

Hon. Mr. Kerr: If the material—I should preface this by saying that a great volume of our waste is being exported to the United States, so there is a certain amount of reciprocity here.

Mr. Reid: Send them one of your speeches.

Mr. Cassidy: Is it a free trade agreement?

Hon. Mr. Kerr: But the material that is coming into Canada, particularly in the Detroit-Windsor area, is going to sites that have a proper licence and certificate from this ministry. So we haven't stopped that at this point.

Ms. Bryden: Supplementary: Is the minister not aware, when he talks about enlarging the Tricil plant in Mississauga, that the residents of that area are very disturbed about the present operations at the Tricil plant, in regard to noise and emissions and so on? Before he authorizes the enlargement he should look into the complaints that are registered against the plant at present.

Hon. Mr. Kerr: We are quite aware of the problems that the Tricil plant in Mississauga has been having. They are now under a control order after lengthy discussions with my ministry, and after appearance before the Environmental Appeal Board. We are aware of the problems; they are under a control order; hopefully any problems they have will be solved by the end of this summer—if they abide by that control order which I expect they will.

Any enlargement will in fact help the situation there. It will increase their combustion and their general capacity to the extent that the odours and other problems coming from that plant certainly will not be anywhere near as bad as they are at the present time.

Mr. Kennedy: Mr. Speaker, could I have a final supplementary on Tricil? Would the minister advise the status of the present control order against Tricil? Could he check into that and let us know the present status of that control order, which I believe is to be completed by this fall?

Hon. Mr. Kerr: Mr. Speaker, you can see that the questions I am now being asked confirm my original remarks to the hon. member for Wentworth, that every time we talk about safe disposal of industrial liquid waste—

Mr. Deans: That doesn't alter the problem.

Hon. Mr. Kerr: —there are a number of people who are hoping that it will just go away and won't accept any type of disposal.

In answer to the hon. member's question, the control order is in fact now "in order". In other words, the company has met the schedule set in that control order and it is to mature, I believe some time in September, so the requirements of the ministry will be met by that time.

Mr. Roy: You mean you have a control order that is out of order?

FIRE SAFETY IN NURSING HOMES

Mr. Deans: I have a question of the Minister of Health. Is it true that the mattresses of the type that were used in the jails and that went on fire at Christmas time, are also authorized for use in nursing homes and government institutions in the province of Ontario? If so, why can the regulations not be changed to ensure that mattresses of the non-burning type are made mandatory in nursing homes?

Hon. Mr. Timbrell: I'll take that as notice, Mr. Speaker.

RONTO DEVELOPMENT COMPANY

Mr. Sargent: Mr. Speaker, I have a question of the provincial Treasurer—we'll try it again: Regarding the $2 million exemption that he promised the Todghams he would get for them—

An hon. member: Question? Question?

Mr. Sargent: —in view of the fact that he has concealed this from the House and the public accounts committee and he had to be subpoenaed before the judicial inquiry to get this information, will he tell the House, has any part of this $2 million been received as yet? Also, I'd like to ask him, finally, was it the Attorney General's office or who was it that directed the courts to call the Treasurer three days after the election, not during or before the election, to give his testimony?

Hon. Mr. McKeough: Mr. Speaker, this is a matter which, as I understand it, is before a royal commission and I don't think I'll comment on it.

Mr. Sargent: Supplementary: I'd like to ask if the Treasurer has received any part of the $2 million exemption yet?

Hon. Mr. McKeough: Mr. Speaker, I would simply say to the member that if he would like to repeat outside the House what he is now saying there will be an answer.

Mr. Sargent: The commission is off.

Hon. Mr. Rhodes: Come on, Eddie; outside.

Mr. Eaton: You are a disgrace to the House.

Mr. Speaker: Order, please.

Mr. Sargent: Final supplementary: Who arranged for the Treasurer to appear after the election and not before it? Who arranged that? Who directed the courts to call him after the election?

Hon. Mr. McKeough: Mr. Speaker, I can only repeat what I have said. If the member would like to discuss these matters outside the House in front of the television cameras then he will have an answer.

Mr. Sargent: I'll look forward to that.

HIGHWAY 555

Mr. Wildman: I have a question for the Minister of Transportation and Communications. In view of the fact that the need for a direct highway link between Blind River and Elliot Lake has been repeatedly pointed out by the commuting miners, municipal officials, the mining companies, and myself among others, off and on over the last 20 years; and the fact that MTC has consistently refused to extend Highway 555—

An hon. member: Question? That's a speech.

Mr. Wildman: —since 1968; and the minister's new position, stated to the Blind River town council on June 7, that conditions had changed and that he had requested MTC officials to immediately review the ministry's position against that extension; can the minister now report to us on the status of that review and when we can expect the beginning of the construction of the Granary Lake Road?

Mr. Cassidy: Hear, hear; good question.

Hon. Mr. Snow: Mr. Speaker, the review is under way at the present time. I believe officials of my ministry were meeting with the municipal representatives of both Blind River and Elliot Lake, as I requested them to do. I believe those meetings were held during the last two weeks of June and I expect to have a report in the near future. I haven't got one yet.

Mr. Wildman: Supplementary: Have MTC officials also met with the mine management and the unions since the election, and if so, what proposals have they made to subsidize a commuter service from Blind River to Elliot Lake in the interim before Highway 555 is constructed, as the minister suggested in his release to the Sault Star June 8?

Mr. Cassidy: Good question.

Hon. Mr. Snow: Mr. Speaker, the officials were to meet with the mine management and the unions and they were to discuss with the municipalities the possibility of any type of commuter bus operation that might be implemented on the existing highways pending the construction of the Granary Lake Road, if that should be the recommendation.

I hope, in any case, that the officials have not made any commitment for any subsidization of that service.

[2:30]

Mr. Speaker: The hon. member for Ottawa West.

Mr. Roy: East?

Mr. Speaker: No west, then east.

Mr. Roy: I was never bothered by his predecessor.

Mr. Cassidy: His predecessor never asked questions.

Hon. Mr. Bennett: Don't worry about that, Michael.

Mr. S. Smith: It wasn't seen, that's all.

CABINET REVERSAL OF OTTAWA BYLAW

Mr. Baetz: Mr. Speaker, I have a question for the Chairman of Cabinet. Is it correct, as was reported in the July 2 edition of the Ottawa Citizen, that cabinet reversed an Ottawa municipal bylaw, as well as overruling the decision by the Ontario Municipal Board and the decision by the Supreme Court of Ontario—

Mr. Roy: Marion Dewar didn't like that.

Mr. Baetz: —and that the cabinet supported instead a petition by Assaly Construction Ltd. to build town houses and apartments in the Pinecrest-Queensway area of Ottawa West according to the company's plans? If it is correct, as implied in the press report, that this was an arbitrary and final decision, how does the Chairman of Cabinet reconcile such action with this government's stated commitment to increase local government and citizen participation, and the respective roles of the OMB and the courts?

Mr. Swart: When is the member coming across the floor?

Mr. Speaker: Now for the answer.

Mr. Roy: Don't take that, Lorne. You don't have to take that.

Hon. Mr. Henderson: Mr. Speaker, in responding to this question, I am happy to know there is a difference between Ottawa East, Ottawa West and Ottawa Centre—

Mr. Roy: Don't worry, Lorne; your voters know the difference.

Hon. Mr. Henderson: —and that we do have someone who is representing that area.

Interjections.

Mr. Speaker: Order, please.

Mr. Sargent: I'm glad you asked that question.

Hon. Mr. Henderson: Mr. Speaker, I had a phone call this morning from a reporter, Mr. Mark Van Dusen of the Ottawa Citizen. May I just read a couple of lines here: "By reversing an Ottawa bylaw upheld by all three and supporting a developer's appeal instead, Controller Marion Dewar said on Thursday—

Mr. Roy: NDP candidate.

Hon. Mr. Henderson: Is that who she is? I don't know.

Ms. Gigantes: You don't know Ottawa.

Mr. Roy: She didn't want it to be public though.

Mr. Speaker: Will the hon. minister ignore the interjections please.

Hon. Mr. Henderson: Mr. Speaker, may I point out that the controller either had not read the order in council or certainly could not understand it.

Interjections.

Hon. Mr. Henderson: Mr. Speaker, let me quote from the order in council.

Mr. Wildman: This is a setup.

Hon. Mr. Henderson: I don't think there is a setup any place when a reporter from Ottawa phoned me this morning—

Mr. Speaker: Would the hon. minister just continue with his answer.

Mr. MacDonald: Ignore the interjections. Can't you obey the Speaker?

Mr. Deans: Is this your maiden answer?

Hon. Mr. Henderson: This is a quote from the order in council. "After due consideration of the said petition, therefore recommends that pursuant to the provisions of section 94 of The Ontario Municipal Board Act, RSO 1970, chapter 323, there shall be a new public hearing of the application, the subject of the aforementioned decision of the Ontario Municipal Board; dated October 28, 1976."

So it was not as was reported by the controller. It is referred back to the OMB for a new hearing.

Mr. Conway: Reuben, was the election that bitter?

Hon. Mr. Henderson: Mr. Speaker, there were several reasons, if I might report them to you for this reversal, I mean for this referral.

Mr. Lawlor: Glad you got that straightened out.

Hon. Mr. Henderson: Mr. Speaker, might I quote some of them? There are about five reasons for the referral—

Mr. Speaker: If the hon. minister would get on, please.

Hon. Mr. Henderson: On June 22, 1977 the cabinet did refer this back to the OMB. It was bylaw No. 296 of 1973 of the city of Ottawa.

On October 28, 1976, the Ontario Municipal Board did approve such a bylaw. The effect of the new bylaw was to downzone the area. Ten acres in the bylaw would permit 90 townhouses and 200 apartment units in place of the previous zoning, which would have allowed in excess of 700 apartment houses and row houses.

The petition of Assaly Construction Limited pointed to several errors in the OMB reasons for the decision.

The OMB referred to the new bylaws as approving 300 apartments and 140 townhouses instead of the actual approval of 290. The OMB referred to research bulletin No. 2 of the city's planning branch as being the basis for the new secondary plan, whereas this study had not been written when bylaw 296-73 was passed. The OMB had erred in inferring that the new bylaw was based on the recommendations of the planning branch, whereas the branch recommended 300 and 140 units.

Mr. Swart: That's enough.

Hon. Mr. Henderson: I'm sure there are other members from Ottawa interested.

Mr. Roy: No, no; you have told us enough now.

Mr. Cassidy: Spurious technicalities.

Mr. Speaker: Order, please. We are all wasting time here this afternoon.

Hon. Mr. Henderson: The petitioner claims that several years ago he obtained a severance—

Mr. Lawlor: This is a travesty.

Mr. Speaker: Order, please. The interjections are contributing to the lengthening of the answer. Would the hon. minister please just—

Interjections.

Mr. Speaker: Order, please. Will the hon. minister just continue and ignore the interjections, please.

Hon. Mr. Henderson: The petitioner claims that several years ago he obtained a severance from the committee of adjustments in the city of Ottawa, and as a condition it was—

Ms. Gigantes: On a point of order, Mr. Speaker.

Mr. Speaker: Let the member have a point of order.

Ms. Gigantes: Is it not your opinion, Mr. Speaker, that this statement would be more suited to a ministerial statement?

Mr. Speaker: The Speaker will attend to that matter. The hon. minister will continue.

Mr. Peterson: Poor Reuben will never ask another question.

Hon. Mr. Henderson: Further, Mr. Speaker, the petitioner claims that several years ago he obtained a severance from the committee of adjustments in the city of Ottawa, and as a condition it was required to enter into an undertaking with the city. These undertakings covered the entire parcel of 30 acres, which then included the 10 acres, the subject matter of this petition. They included the granting of land free for road widening and for parks, and the paying for other costs. The land was given and payments were made on the basis of the old bylaw, which would have permitted 700 units from the 10 acres.

Mr. Wildman: This is very effective.

Hon. Mr. Henderson: This would not have been economically justified, on the basis of the first phase of development of some 12½ acres completed some years ago.

Interjections.

Hon. Mr. Henderson: The last one, Mr. Speaker, the petitioner applied for leave from the divisional courts on the grounds that the OMB had made substantial errors, some of which are set out above, and these amount to errors of law. The divisional court on Dec. 10, 1976—

Mr. Roy: Is that the legal opinion of the Attorney General (Mr. McMurtry)?

Hon. Mr. Henderson: —dismissed the application for leave to appeal saying they were not errors of law, but rather they were errors of fact. Thank you, Mr. Speaker.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: Order, please.

I think it would only be fair if we added three minutes to the question period because of the length of the answer. I point out that the answer was lengthy, but also, as I indicated earlier, the interjections contributed to that. So we will just add three minutes to the question period.

Now is there a supplementary? The member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker. After announcing all of these technicalities which led the cabinet to its decision, can the minister explain why the opinion of both the city council and the Ontario Municipal Board was overruled? How does that square with developing the policy of the government to try and give more local autonomy than exists right now? And how does that square with this government's determination, which it announces, to let citizens have their say?

Interjections.

Mr. Speaker: Order. There has been a request for fewer interjections; please heed it. The hon. minister with his answer, please.

Hon. Mr. Henderson: Thank you, Mr. Speaker. In order to answer the hon. member I have three pages here that I have just read and I would have to read them again. I believe I've answered. It will be in Hansard.

Mr. Riddell: You did just about as well as you did in southwestern Ontario during the election.

Mr. Roy: Would the minister send me a copy? I would like to see that learned opinion.

Hon. Mr. Henderson: Read it in Hansard.

Mr. Roy: Mr. Speaker, if I was a bit confused by the member for Ottawa West it's because his predecessor would not confuse a minister like this member.

Hon. B. Stephenson: Oh come on.

HYDRO CONTRACTS

Mr. Roy: My question, in the absence of the Attorney General and the Premier (Mr. Davis), is to the Solicitor General—

Mr. Nixon: It's a long way down.

Mr. Roy: —and Provincial Secretary for Justice. Would he advise if he, as Provincial Secretary for Justice, was aware of this so-called secret inquiry of Mr. Justice Grant, ordered by the Premier? If the minister was aware, can he assist us and enlighten the House as to the findings of this inquiry? Also can he tell us, subsequent to receiving a memo from the OPP—a memo which contained certain allegations of political finagling, or high jinks to use the minister's expression—whether he has ordered an inquiry based on the evidence contained in this memo?

Hon. Mr. MacBeth: Mr. Speaker, the Premier was asked some questions on that, I believe it was last Thursday. He answered them, sir, at that time. I have nothing further to add.

Mr. Speaker: Order please. I think I should report to the House briefly, that a request was made for me to check and to see if, in fact, the matter was sub judice; the information about the report. I set the wheels in motion to do that yesterday and I expected an answer to report to the House today from the law officers of the Crown. I was informed just a short while ago that it was not ready yet, but I expect it by tomorrow. So I hope this matter will be cleared up by tomorrow at the latest, if the hon. member would respect that please.

Mr. McNeil: The hon. member won't be here tomorrow.

Mr. Roy: Mr. Speaker, I take it that the whole matter is certainly not sub judice, to use your expression.

Mr. Speaker: It depends on the type of question you ask, but I'm not sure about that until I get the report.

Will the hon. member please be seated when I'm on my feet? Thank you.

I'm not sure about that until I get the report and see the details of this particular matter. Now if you have a question, I'm sure the hon. Solicitor General can use his discretion as to whether it is a question which can be answered or not.

Mr. Roy: Yes, well that's what I want to make sure of, that it's at his discretion or whatever, and that the court order is not used as a means not to enlighten the House of certain proceedings.

I'd like to continue on with the next question to the Solicitor General, which has nothing to do, let's say, with the inquiry. Did he, in fact, receive a memo from the OPP about certain allegations and has he ordered an inquiry based on the evidence contained in these memos?

Hon. Mr. MacBeth: Mr. Speaker, from time to time I receive a good number of memos from the various police forces of this province. Some of them I am able to make public and others I feel I should not. Coming back to what the Premier said when he last dealt with the matter, I feel I should make no further comment on this one at this time.

Mr. Mancini: He gave you strict orders not to say anything?

Mr. Speaker: Order please. That sort of question I hope will be answered when I report to the House, because I think it is part and parcel of the total instruction which was given to me on Thursday.

Mr. Roy: Mr. Speaker, if I may make this comment, and I've read the transcript—

Hon. Mr. Timbrell: Question?

Mr. Roy: I'm on a point of order, in case the minister might not understand the difference. Mr. Speaker, the point I want to make to you is simply this, anything that the judge might have ordered at the preliminary inquiry under section 467 of the Code, prohibits publication by way of newspaper or broadcast. In other words, the curtailment of dissemination of information is on the press only. It's nothing to do with an inquiry or with something else dealing with allegations into a memo. The Premier has raised a certain point which, in fact, he's mistaken on, because to quote the Premier he says "the order prohibits discussion." There's no jurisdiction under section 467 of the Code to prohibit any

discussion. The order states very clearly, under section 467: "Shall not be published in any newspaper or broadcast." It doesn't prohibit any discussion.

[2:45]

My point is simply that I would hope ministers of the Crown would not hide behind a specific order and then use it as an excuse for not giving us any information which we believe to be in the public interest.

Mr. Speaker: As I indicated earlier, I hope all parts of this matter will be cleared up tomorrow. In the meantime, the minister may answer a question or not answer it as he sees fit.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: Bear in mind what has been said in the last moment or so and do not prolong it because the matter should be cleared up tomorrow. We'll hear what the hon. member for Ottawa Centre has to say.

Mr. Cassidy: Either in his capacity as Solicitor General or in his capacity as Provincial Secretary for Justice, prior to the report that came from the OPP a few days before the election, had the minister any information or did he receive any reports about these particular allegations of influence-seeking by corporations in relation to Hydro contracts?

Hon. Mr. MacBeth: The hon. members opposite are becoming very much like the press in regard to some of these questions by putting words in one's mouth and then expecting one to say aye, yes or no.

Interjection.

Hon. Mr. MacBeth: If I answered that question, I would perhaps be saying things that would be best not said.

Mr. Cassidy: What?

Hon. Mr. MacBeth: When the question was originally asked by the member for Ottawa East, he suggested that in the absence of the Premier and then in the absence of the Attorney General it would go to the Solicitor General.

Mr. Roy: And Provincial Secretary for Justice.

Mr. Deans: Don't you wish you were absent?

Mr. S. Smith: The superminister.

Hon. Mr. MacBeth: I think it would be best if they would reserve those questions for the Premier, who was originally dealing with the matter.

Mr. Peterson: Supplementary, Mr. Speaker.

Mr. Speaker: This will be a final supplementary.

Mr. Peterson: The Solicitor General said in his response that he gets many memos in the course of a day and some he makes public and some he does not make public. Could the minister tell us on what grounds he makes those things public or not?

Hon. Mr. MacBeth: Surely the member opposite knows the answer to that.

SUDBURY POLICE DISPUTE

Mr. Martel: I have a question for the Solicitor General.

(Applause).

Mr. Lane: Here is our leadership candidate.

Hon. Mr. Rhodes: It is too bad Webster left you out of his column.

Mr. Makarchuk: He didn't cost us $3 million.

Interjections.

Mr. Maeck: We want a big majority.

Hon. Mr. Rhodes: The north is for you.

Mr. Speaker: The hon. member for Sudbury East.

Mr. Martel: In view of the very serious problems between the Sudbury Police Commission and the police association in the regional municipality of Sudbury, and in view of the minister's letter of September 8 last year that he would appoint someone to look into those problems once the arbitration hearings were finalized, is the minister now prepared to make that appointment so that we can get to the bottom of what's causing the unrest in the Sudbury Police Association?

Hon. Mr. MacBeth: I believe the chairman of the Ontario Police Commission did ask somebody to go to Sudbury and investigate the matter. It seems a great deal of the problem has to deal with what are or what are not management rights in the view of the parties concerned. There has been a great deal of friction over the matter, no question, and I regret that friction. I think there has been fault on both sides and I'm not prepared to say it is solely a matter where the commission or the members of the commission or a particular member is at fault. It has arisen out of bargaining and the bargaining has been hot and heavy, which is nothing new for my good friend from Sudbury East, he knows how these things go. I'm ready to say at this point that it is purely some of the frictions that have arisen over hot and heavy bargaining.

Mr. Martel: Supplementary: In view of the minister's commitment a year ago, and in view of the fact that the matter hasn't been resolved to anyone's satisfaction and the unrest continues to prevail, would he not appoint someone formally then, to do an inquiry into what has to be done and make recommendations to resolve the problems confronting the association and the commission?

Hon. Mr. MacBeth: I said that we'd already had an investigation of it through the Ontario Police Commission. I have no hesitancy in getting into it myself—

Mr. Laughren: That's a joke.

Hon. Mr. MacBeth: —other than it may imply that by getting into it I'm unhappy with the results that have come forward.

Mr. Laughren: I guess you should be.

Hon. Mr. MacBeth: As I say, the situation there is that there are people who have definite points of view on both sides of the table. The police association feels it should have more management rights than the commission is prepared to say it should have. Tempers have got hot, and people are upset with the personalities involved.

To go further than that perhaps would make it appear that I was siding with one side or another, and I feel that there's fault on both sides.

WILD RICE HARVESTING

Hon. F. S. Miller: Mr. Speaker, yesterday the hon. member for Wentworth directed a question to the Premier (Mr. Davis) regarding concerns by Mr. John Kelly, president of the Grand Council Treaty No. 3, with reference to wild rice harvesting. The Premier indicated to the hon. member that he would try to have an answer to his question today. As the Premier is not here, he has asked me to respond.

As far as I have been able to ascertain Mr. Kelly has not brought this concern directly to the attention of the government, although it may be, of course, that a letter is en route but has not been received. In any event, I anticipate that I'll see Mr. Kelly tomorrow at the all-chiefs meeting with the cabinet and I shall take that opportunity to discuss with him, the concerns expressed yesterday by the hon. member for Wentworth.

Mr. Deans: Supplementary: Can the minister indicate who has the right to determine the method to be used in harvesting the wild rice fields? Secondly, how would Mr. Ratuski be going ahead with the development of the machinery necessary for mechanical harvesting if he didn't already have some commitment to allow him into the fields?

Hon. F. S. Miller: I think, Mr. Speaker, it should be realized that in that particular area, over 95 per cent of the wild rice fields is reserved for the native peoples—

Mr. Deans: It should be.

Hon. F. S. Miller: —and is not, in fact, open to other licensed people. You must have a licence to harvest wild rice. To this point, only about five per cent of the wild rice was harvested in total last year.

The question of who can use a mechanical harvester is entirely up to the person harvesting. All one must have is a licence allowing him or her to harvest. We, in fact, would encourage the native peoples to use mechanical equipment where possible, for two reasons. First, it increases the yield per acre of wild rice by a factor of three to five, I'm told, or maybe even three to seven. In other words, they get that much more yield per acre. Secondly, it very greatly multiplies the productive effort per day.

Right now, wild rice is bringing, I think, somewhere around 70 cents to the picker, if I'm not wrong; that's the figure I've heard anyway. It's a very valuable harvest, and we would very much encourage the fuller harvesting of the wild rice crop in that area either by native peoples or, failing them, by licensing of people other than native peoples.

Mr. Deans: Supplementary: Can the minister explain what he means when he says he was encouraging the use of mechanical harvesters when, in fact, it's been quite clearly stated that the Indian people in the area can't afford to buy the mechanical harvesters in the first place?

Hon. Mr. Bernier: They have them now.

Hon. F. S. Miller: I have never heard that as a fact. I'm not prepared to refute it and say that it's totally incorrect—

Mr. Deans: You have never heard it as a fact?

Hon. F. S. Miller: —but I can say this, when it came to be a question in the Whitedog and Grassy Narrows area of whether they could afford equipment for logging, I believe the Ministry of Natural Resources or some ministry of government provided the funds for that purpose. I think the member would find we'd be delighted to give some form of assistance to Indians that would earn them money and provide employment.

Mr. Stokes: Supplementary: What evidence does the ministry have that the use of mechanical harvesters will contribute to regeneration, as opposed to the traditional method

of harvesting which obviously contributed to regeneration? Does the ministry have anything to back up its argument that mechanical harvesters will permit natural regeneration?

Hon. F. S. Miller: I was not referring to natural regeneration; I was referring to yield during the harvest. As far as the reseeding process is concerned, which I assume the member is talking about, obviously there must be seeds left behind unharvested to have that occur. I would assume that if one got 100 per cent of the seeds off a given area, he would have some difficulty in regeneration. I'm told we've been working on means of helping to improve the growth of wild rice in that area by other than natural means—by diking in some areas. I believe the member has seen that much better than I have; I intend to see during this summer to see what we can do.

This crop is potentially worth $20 million in the northwest, as I think the member would agree, and we're only getting a small part of that at the present time.

When one compares it to some of the other resources up there, it's away ahead of say fur-bearing animals or trapping, so far ahead of it in terms of potential that I would only hope we could encourage both the better harvesting and the better growth of wild rice.

Mr. Foulds: Mr. Speaker, what research and evidence does the Ministry of Natural Resources have about the damage to wild rice beds by mechanical harvesters, and is there, in fact, the danger that beds would be destroyed if the rice were totally harvested by mechanical means?

Hon. F. S. Miller: I haven't any evidence at my fingertips. There may well be evidence to show that they are not damaging to the beds. I will be glad to find out.

NORTH PICKERING PROJECT

Mr. Stong: I have a question of the Minister of Housing. In the light of the confusion and lack of progress of the North Pickering royal commission which has seen the only independent commissioner, Mr. David Humphery, resign, and he was independent of the Ministry of Housing, his position was filled by a former commissioner, thereby constituting a commission which was and is unacceptable to the Ombudsman, the landowners whose claims are being investigated and their counsel, does the minister not feel an obligation to take measures to restore some semblance of independence to that commission so that not only will justice be seen to be done but will be done?

Hon. Mr. Rhodes: Mr. Speaker, first of all, I am not too sure that the hon. member can say unequivocably that the present commission is not acceptable to the Ombudsman. Certainly that has not been conveyed to me by the Ombudsman. Secondly, the commission as it is now constituted is exactly in accordance with the agreement that was reached by myself and the Ombudsman, that was accepted and approved by the select committee and brought to this Legislature for approval. That commission is duly constituted and made up of the members, as is indicated in the agreement, and I respectfully suggest to the hon. member that he read the copy of that agreement.

Mr. Stong: Supplementary: In the light of the difficulty surrounding this commission and the progress, is it not time that the minister looked into it perhaps with a view to reconstituting the commission so that something will be done?

Hon. Mr. Rhodes: Mr. Speaker, I certainly have no intention of recommending a reconstitution of the commission solely because those persons who are appearing before that commission for some reason have withdrawn from the hearing. The commission was established within the rules and within the requirements of the agreement entered into with the Ombudsman to deal with that particular problem.

Certain property owners were directed to appear before that particular commission to present their cases. Others were given the opportunity to appear before another tribunal, again established within the terms of the agreement with the Ombudsman. I don't intend to change the commission just because the lawyer for those particular clients that he represents has decided he's not happy with appearing before the commission.

POLICE PROTECTION AT MOSPORT

Mr. Swart: My question is to the Solicitor General. It concerns the lack of police protection at Mosport last weekend, where property was allegedly destroyed and persons injured and where an OPP spokesman said, according to the news media, "Things have gone too far; we can't police the interior of the track. If we went in, we would never come out." I want to ask him if he can explain how that situation could occur, and is it not his responsibility to ensure that police protection is provided for life and property at a public place such as Mosport? Given the problem that has been there on previous occasions, why would the OPP not have made plans to deal with it?

Hon. Mr. MacBeth: Mr. Speaker, when I saw the report in the paper, I too was con-

cerned with it because, as I said in regard to Hamilton some time ago, there should be no place in this province that the police show any timidity about entering. I have asked for a report on it. The report has not reached my desk yet. I do understand that Mosport is protected or guarded by private security agents and that sometimes they don't always report to the Provincial Police incidents that occur there.

[3:00]

However, we are trying to locate this unnamed OPP spokesman, and if the newspaperman is not intent on protecting his source, if he can give us any information as to who this OPP spokesman is, we will be glad to get some further information. But I can tell the member we are having a little difficulty getting it.

Mr. Speaker: A final supplementary on this.

Mr. Swart: In the report which he has requested, will the minister assure there will be a submission made so that protection can be given in the future in that area? Secondly, is the lack of police protection due to the cutback in funds by the Treasurer (Mr. McKeough)?

Hon. Mr. MacBeth: I don't know that I am prepared to say there was lack of protection. I am trying to get a report on the situation. The senior authorities or other authorities there, even another constable, disagreed with the statement that was alleged to have been made. Yes, there is good police protection there and will continue to be.

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a further question.

INVERHURON PROVINCIAL PARK

Hon. F. S. Miller: Yesterday the hon. member for Huron-Bruce asked if I would indicate the ministry's view with respect to the removal of the last gas shelter at Inverhuron Provincial Park. The member for Huron-Bruce asked if this signalled the closing of the park to public use.

The agreement between the Atomic Energy Control Board, Ontario Hydro and my ministry permitted day-use activities to continue within Inverhuron Park, but terminated all overnight camping. However, until replacement facilities for camping could be completed at MacGregor Park there was an agreement permitting camping to continue at Inverhuron for the interim period, providing suitable emergency shelters were supplied by Ontario Hydro.

Camping was phased out of Inverhuron by the fall of 1975. The shelters thus became unnecessary and have been removed, as Ontario Hydro found uses for them in other areas. There is no significance to park usage in the removal of the last of these shelters this year, and Inverhuron Park will continue to be available for day-use activities.

Mr. Gaunt: A supplementary: May I just clarify one point. The minister has indicated that the Inverhuron Provincial Park will continue for day camping use. Is it fair to say that it will continue in that respect indefinitely?

Hon. F. S. Miller: Well, as long as we are here.

Mr. Swart: That may not be long.

WCB CLAIMS

Mr. Mancini: I have a question for the Minister of Labour. I wonder if the Minister of Labour is aware that there are only two workmen's advisers for the whole province of Ontario to assist injured workers at WCB appeal board hearings here in Toronto. I wonder if she would undertake to advise the Workmen's Compensation Board to hire many more so that the injured workers of this province can get a fair hearing when they come down to Toronto.

Hon. B. Stephenson: Yes, I am aware of it and indeed, already we have undertaken to increase the number.

Mr. Mancini: Supplementary question: Could the minister inform the House just how many more she is going to hire?

Hon. B. Stephenson: No, I can't at this point. It takes a very special kind of person with very special knowledge to do this sensitive job. It is a matter of finding the right people and training them. We shall acquire the number that is appropriate.

Mr. Martel: Give it to Mike Starr.

Mr. Warner: Clean that mess up.

HUDAC PROGRAM

Mr. Breaugh: I have a question for the Minister of Housing which I asked him in the estimates last Tuesday night. Since we don't have an answer yet, I would like to ask him again to explain the circumstances surrounding the issuance of a special warrant for the sum of $600,000, ordered to authorize the payments for the purpose of providing insurance to the full amount of the deposit and downpayments of condominium purchasers who were either not previously covered or only partially covered by insurance under the HUDAC new home warranty plan.

Hon. Mr. Rhodes: I apologize to the hon. member. That response is in my office and I neglected to bring it with me. I apologize and I will have it here tomorrow at question period. In fact, I will make a statement prior to question period in order not to take up the time.

ONTARIO-JAPAN TRADE

Mr. Sweeney: A question to the Minister of Industry and Tourism: Given the fact that Japanese manufacturers aggressively market their products in Ontario, does his ministry do anything to assist our manufacturers to market their products in Japan?

Hon. Mr. Bennett: Yes, we have had our office in Japan for a number of years and we do market through various means. If the member would take the opportunity of reading the review of the Ministry of Industry and Tourism, and what we have been doing during estimates, on points the member raised prior to this as the critic so far as Tourism and Industry is concerned, I can tell him that within that report we give a complete, detailed analysis of exactly what we do in trying to market products, not only in Japan but in pretty well every country of the world, whether it be behind the Iron Curtain or in a free trading country.

Mr. Sweeney: Supplementary: If that's the case, why is it that Ontario was not represented in Japan at the International Machine Tool fair held in November, and was not represented at the 12th International Trade Fair in Tokyo just this past April and May?

Hon. Mr. Bennett: I think if the member would analyse the situation, he would realize that all of the trade relationships that happen to be between industry and other countries of the world do not rest on the shoulders of the Ministry of Industry and Tourism. When it comes to trade fairs, generally speaking it is a responsibility carried out on a co-operative basis with the federal government. But I'll be pleased to look into the two fairs the member speaks of and analyse them to see whether manufacturers in Ontario were offered the opportunity of attending and whether there were some who refused to go for good reason, usually the reason is the economics.

CONTAMINATION OF FISH

Mr. Foulds: Mr. Speaker, a question to the Minister of Natural Resources: Could the Minister of Natural Resources inform the House how much of the fish stocking program of his ministry takes place in waters that are contaminated and for which warnings have been issued not to eat the fish?

Hon. F. S. Miller: I'd have to take that as notice because as the member knows I wouldn't be able to have that information at my fingertips.

Mr. Foulds: Supplementary: While the minister is investigating the answer, could he consider how much the stocking in such waters is costing and whether it might not be a more useful expenditure of public funds to spend the money in stocking in non-contaminated waters?

Hon. F. S. Miller: Mr. Speaker, that would seem reasonable. I can only say that we're not stocking enough anyway. I'd like to stock more.

Mr. S. Smith: That's right.

SPEED LIMITS

Mr. Reid: I have a question for the Minister of Transportation and Communications, if I could have his attention.

Can the minister tell us if his ministry has reviewed the policy in regard to granting to Indian reserves the right to have the speed limit lowered on provincial highways that run through their reserves; and also could he extend that right and privilege to municipalities that wish to have the speed limit lowered running through their towns?

Hon. Mr. Snow: We deal continuously with requests from municipalities, and also from Indian reserves, for adjustments to speed limits within or adjacent to their municipalities on our provincial highways. Normally I would say about once a month I bring before cabinet an amending regulation to The Highway Traffic Act to implement adjustments as they have been requested and approved.

Mr. Speaker: The question period has expired.

Petitions.

Presenting reports.

Motions.

INTRODUCTION OF BILLS

PUBLIC VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 34, An Act to amend The Public Vehicles Act.

Motion agreed to.

AIRPORTS AMENDMENT ACT

Hon. Mr. Snow moved first reading of Bill 35, An Act to amend The Airports Act.

Motion agreed to.

Hon. Mr. Snow: Mr. Speaker, the two bills I have just introduced for first reading were originally introduced on April 15 in the last session; I would refer the hon. members to Hansard of April 15 at which time I gave a statement outlining the purposes of the amendments. Copies of the compendium of background information have been delivered to the critics of both opposition parties and to the Clerk of the House.

REGIONAL MUNICIPALITIES AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 36, An Act to amend certain Acts respecting Regional Municipalities.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, at the time of dissolution, I had a number of amendments to The Regional Municipalities Act on the order paper. Accordingly, I wish to reintroduce these this afternoon. As I previously pointed out, they are primarily measures to streamline temporary borrowing provisions. In addition, there is one permitting the 10 regional municipalities to accept money for reward purposes and to be allowed to pay this money to persons who supply information leading to the conviction of offenders. We also propose that a simple majority vote be sufficient to authorize the removal of an auditor with cause.

DISTRICT MUNICIPALITY OF MUSKOKA AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 37, An Act to amend The District Municipality of Muskoka Act.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, the amendments to this bill are the same as those I have just outlined for The Regional Municipalities Act.

COUNTY OF OXFORD AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 38, An Act to amend The County of Oxford Act.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, again the amendments duplicate the previous Acts.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 39, An Act to amend The Municipality of Metropolitan Toronto Act.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, all the amendments to The Municipality of Metropolitan Toronto Act are similar to those in the proposed regional municipalities amendment bill with the exception of an additional amendment concerning vote requirements. We propose a simple majority vote to authorize the travelling expenses of Metro councillors and officials and the expenses incurred for entertainment.

MUNICIPAL AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 40, An Act to amend The Municipal Act.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, the proposed amendments to The Municipal Act add two further types of money bylaws to the list of money bylaws which do not require the assent of the electorate. These are bylaws for requiring land for housing purposes and bylaws for the construction and reconstruction of highway pavements and bridges.

[3:15]

Secondly, we propose that when a property owner makes partial payment towards tax arrears, the payments shall first be applied in the interest or percentage charges then towards that part of the taxes longest overdue.

At the request of the municipalities we are broadening the per diem system of remuneration for members of a council to allow for payments for attending meetings rather than council meetings.

PUBLIC UTILITES AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 41, An Act to amend The Public Utilities Act.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, we propose here that before any public utilities or services are shut off for non-payment, a 48-hour notice be given to the occupant and the owner if he or she is a different person.

CITY OF TIMMINS-PORCUPINE AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 42, An Act to amend The City of Timmins-Porcupine Act, 1972.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, this amendment vests in the city of Timmins the right to collect tax arrears in respect of the

unorganized territory which became part of the city in 1973.

Mr. Cassidy: Mr. Speaker, I just wanted to ask, through you to the Treasurer, whether the Treasurer has a compendium of information with these three or four bills that he has just introduced?

Hon. Mr. McKeough: No, Mr. Speaker.

Mr. Cassidy: Well, on a point of order, Mr. Speaker, the new rules do require, or do suggest very strongly, that they be provided. Is the Treasurer intending therefore to ignore these particular rules that were adopted by the House unanimously a few months ago?

Hon. Mr. McKeough: Mr. Speaker, I am proposing that if the hon. member would be good enough to come to the municipal liaison committee on any second Friday of each month he would hear these matters discussed. He would be aware where the requests come from and he would recognize that providing a compendium of municipal resolutions, supporting or otherwise the various resolutions which come from the councils would generate a great deal of wasted time and money to the taxpayers of this province.

Mr. Cassidy: On a point of order, Mr. Speaker: If members of the Legislature wish to attend meetings with the police forces of the province and the Solicitor General, meetings between the various health professions and the Minister of Health and that kind of thing I am sure that they could also be informed about legislation in those respective fields coming before the Legislature.

I would say to you, Mr. Speaker, that the purpose of the compendium is not only to inform the critics of the particular parties who will be speaking about particular matters of legislation, it is also for the benefit of other members of the House who wish to be informed about the matters before the House, even if they don't happen to be critics for that particular area. The material is also to be filed in the Legislature library for the benefit of members of the public who may wish to know some of the material which underlies legislative proposals before the House. And those requirements are not fulfilled by the minister saying that meetings of the PMLC are open to members of this House.

Hon. Mr. McKeough: I would simply point out that meetings with the police force of this province or meetings with a group of nurses of this province are in a slightly different category than meetings of the municipal liaison committee with ministers of the Crown and members of the Legislature in attendance. I think there is a distinction which he might well appreciate.

Mr. B. Newman: He can't be there and here at the same time.

Mr. Speaker: Order, please. I think whereever any information is available where possible it should be provided as noted in the new provisional orders.

Mr. Cassidy: Mr. Speaker, on a point of order, is that a ruling from the Chair?

Mr. Speaker: The rules state so but there may be no information to provide. That's all I can say on this.

Mr. Bounsall: He didn't say that.

Mr. Speaker: Well, that's what I said. If there is information then it is supposed to be provided for the assistance of the opposition critics.

Mr. Bounsall: Further to that point of order, Mr. Speaker, the minister has indicated that there is some information backing up these bills that was presented at the municipal liaison committee. It seems to me that one cannot have a minister saying, "If you want that background information, rather than my tabling it, you should attend in future the municipal liaison committee—and why didn't you in the past?"

The minister has implied there's information backing up these bills now and that information should now be tabled. To say, "Just go and attend the municipal liaison committee so I won't have to do it," is not in accordance with the rules of this House.

Mr. Speaker: I think we've heard enough on this subject, and I'm sure all members will get the message. We'll have the final comment on this.

Hon. Mr. McKeough: Mr. Speaker, if I might just point out, I'm sure the minutes of the municipal liaison committee are tabled in the legislative library. If they are not, I'll be glad to arrange that. I would also point out that these bills are self-explanatory and hardly require a compendium.

ORDERS OF THE DAY

ONTARIO YOUTH EMPLOYMENT ACT
(concluded)

Resumption of the adjourned debate in committee of the whole House on Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

Mr. Nixon: Haven't we finished that one?

On section 4:

Mr. Warner: Mr. Chairman, I will be brief. I just have a question with respect to section 4(1)(a). Do I understand from the parliamentary assistant that that particular section, although it does not specifically say so, in fact will provide protection so that no one who would otherwise qualify for this program would in fact be hired by a place where there was a legal strike in progress?

Mr. Jones: Mr. Chairman, we certainly at this date haven't had any occasion to have that questioned by any employer, or for that matter any potential employee. But if the question is whether there would be someone employed in the course of a strike, I would remind the member that under this program and the subsidy of the dollar-per-hour grant, outside of the outline that's contained in the bill, the normal processes of employer-employee relationships takes place. We make no design of direction as to how they would take place. They all take place in the normal circumstances in the business community or in the farm community. These are not new jobs that you'd be mentioning, I wouldn't think, so in that case I don't know that that would apply under this bill.

Mr. Warner: That was my question—that you would not determine that because a job was vacant that it was in fact a new job and therefore it could be filled by someone who qualified under this program. That would be my concern. Okay, that's good. Thank you.

Mr. McKessock: Mr. Chairman, I'd like to ask the parliamentary assistant a question pertaining to section 4(1)(b), as to his thinking in not allowing sons and daughters of business people to be hired by their own parents. It seems to me that this legislation is pointed out to be for employers of business, and farmers especially are mentioned here. This certainly appears to be discriminatory against the farmer especially. I think we are trying to encourage the continuation of the family farm, and yet in the case of this bill, the farmer's son or daughter would have to go and receive employment at another farm rather than be employed by his or her own parents. I was wondering what the thinking is behind this?

Mr. Jones: Mr. Chairman, the thinking comes from the the type of thoughts that we heard in debate yesterday and I suppose on Friday on the principle of the bill, that we wanted—and the House seems to have underscored that—that we wanted to be sure that every possible chance for undue abuse would be kept out of the operation of the program. I suppose in mentioning this I'm replying also to a question from the member for London Centre along the same lines. He asked a question—I think he intended to bring it up under section 3—about some rumours he had heard where a farmer on concession three might be having his son work with a farmer on concession four and vice versa, the son of the concession four farmer working on a concession three farm. That, in itself, is not outside the permissibility of this Act. However, if there was a charade set in place where in fact the son of the concession three farmer was working there but ordered in our papers otherwise, then it wouldn't come within the bill.

We have had the question raised by some farmers but, by and large they have understood as we explained to them why the proviso was there guarding against some abuses in—

Mr. Nixon: Some farmers?

Mr. Jones: Yes, some of the farm community, because some of them could appreciate how that could happen.

Mr. McKessock: I fail to understand why, Mr. Chairman. I would like the parliamentary assistant to explain to me what he means by "undue abuse."

Mr. Nixon: What's abuse?

Mr. Jones: The whole principle of the bill, of course, is that these would be newly created jobs that wouldn't have existed if it wasn't for the introduction of the Ontario Youth Employment program. The farmers themselves often admit, when they talk to us to ask about it, that they wouldn't necessarily have the son working for a salary until they come to us under this program to see if they qualify. Then they say: "Oh, well, we just wanted to try and we thought we'd ask you." The son, naturally, as the hon. member says—and the government has given evidence in some recent changes in legislation of wanting to continue the family farm situation, but the fact is that there are a lot of other benefits that flow to a son if he chooses to work with his father on the home farm rather than working down the road or over on that other concession I was talking about.

When all is considered under this bill, though, we are dealing with public funds, and I think all of us in this House would agree that we have to protect those funds against the possibility that one of the parents might have access to a social insurance number of children or other relatives and somehow there might be kind of abuse along that line. I'm sure the hon. member can understand how it could happen.

I have to tell the hon. member too that many of the farmers we've talked to—10 per

cent of all the applications that have been approved are from farmers, and they're quite happy with it—when the question that he has just raised is answered, they sometimes feel at first that it is perhaps working against them a little bit, but as soon as we explain the other types of businesses where the abuse also could creep in, they agree with us.

Mr. McKessock: Anybody who has been in business for the last 10 years probably would be quite aware that it would be on their books whether they had paid their children or not. But the parliamentary assistant mentioned there were some benefits for farm children working for their parents. If they weren't getting paid, it would appear that benefit would be working for nothing. I can't see that as much of a benefit. If they haven't been paid in the past, I think it would be quite in order for them to be paid now, because if they weren't paid in the past it is to the advantage of the farmer to pay them and have this on his record of wages paid out as expenses towards him on his farm expenditures.

When the parliamentary assistant says that 10 per cent of the applications are from farmers, I wonder whether they are agreeing with it or whether they are going the other route of manipulating it, as he mentioned previously, by having their sons or daughters work for a neighbour and the neighbour's sons or daughters for them. Would he not agree with me that if they haven't been paid in previous years that there would be no harm in hiring them this year under this program?

Mr. Jones: I would suggest to the member for Grey that it would be in contradiction of the whole principle of the bill. The purpose of the bill is to create new jobs, to give that stimulus during the first period where jobs for young people wouldn't have existed except for the stimulus and the grant under this program.

[3:30]

If the son was going to work, as you suggest, and maybe not be paid in that job in the previous summer, then this summer comes to work under a government subsidy with public funds, then I'm sure you can agree that we're getting far afield from the principle that this grant is for a stimulus to create a job which otherwise wouldn't have been.

Mr. McKessock: I want to point out that farmers' sons and daughters don't work for nothing any more. If they were not paid last year, they didn't have a job. To me, they should be quite eligible to make application for this grant this year if they were not on the farmer's books last year.

Mr. Jones: I will make due note of it. As I say we've had many inquiries along that line. This is a first and a new program and we certainly will keep that suggestion in mind. We've heard it from other farmers and I appreciate the member sharing his thought with us, but that's what went into the thinking in the design of this program. As you know, there was an urgency to get it in place and we did proceed accordingly.

Section 4 agreed to.

On section 5:

Mr. Germa: Section 5 reads: "Every person who receives a grant or distribution of money under this Act or the youth employment program"; that indicates to me that there are two ways to get money. You either get a grant or distribution, or you get money under the youth employment program. I wonder if the parliamentary assistant could clear up that dilemma.

Mr. Jones: Certainly there's no intention for there to be two vehicles under the program. There exists but one grant. I would suggest that probably the word "distribution" is in the minds of the legal people, something necessary in order to follow some consistency of wording with other bills similar to this that have proven to require that appropriate mention. I can tell you that most of the sections here have been tidied up from other existing and proven bills. There are no intentions in the bill other than that one dollar per hour grant, with the maximum of six per employer per site.

Mr. Germa: The intention of the bill is not what governs the execution of the bill. There is under this bill provision for a grant to be made. If there is no grant contemplated then I would suggest that the word "grant" should be removed to protect the bill's integrity. If I might recite section 3, it starts by saying. "The minister may make grants;" so there are two avenues of passing out public funds.

I am just a little bit doubtful that there should be such wide open provisions in the bill. It's not related. The grant is not related to the one dollar an hour as we understand it; and as is publicly understood, that there is a one dollar an hour subsidy on account of hours worked. You have in there the provision for a grant to be paid; it says it quite specifically without any equivocation. I'm going to ask the parliamentary assistant to consider amending the bill to remove the word "grant" wherever it appears.

Mr. Jones: Mr. Chairman, I don't follow the member's concern about there being any

large inconsistency with it. The grant is one thing and is used in this context in the legal sense. Once you've received a grant—I think we all understand what that is saying to us—then there is the distribution of that money under the Act. Perhaps the member could suggest to me just how he would see it being improved by the choice of words such as it just being "distribution" or just being "grant." Would he not agree that grant is one thing and distribution, as it says money flowing from that grant, are two different things.

Mr. Germa: Could I try to clarify my concern? In section 5, the word "or" is between the statement as it relates to grant or distribution and the youth employment program. When you use the word "or" it implies to me there are two different things we are talking about—either a grant or the youth employment program. It implies to me there are two ways. You say there are not, but as long as that word is in there, I think we have two options.

Mr. Jones: Mr. Chairman, as I recall, this section 5 is dealing with a requirement that the minister can, in any manner prescribed, have provision here for certain protections, and then there is an offence provided. It says every person who receives a grant or distribution of money under the Act—either of those two procedures—and then it proceeds to go on "at such time and such manner as may be prescribed shall make a return to the minister if called upon." I really can't see that having any harmful effect or talking about two separate things.

There are the application procedures that would be involved in applying for the grant. There are time sheets that would be completed involving in the distribution of the money. I suggest that they are talking about different mechanics or any one of those mechanics as part of the grant, whether it be at the stage of money distribution or whether it be at the stage of them receiving the grant and making application for the grant. The minister retains the right, again as a check, guarding against abuse, of being able to ask, in the manner prescribed, for returns as to either of those mechanics.

Mr. Germa: Forgetting my first objection to the section, could I ask the parliamentary assistant has he determined what information is going to be asked for when a person makes this return as provided here. You say the time sheets of the employee are going to be part of the return? Is the profit of the company to be examined to ensure that we are not subsidizing an undue profit maker as a result of these subsidized wages? Is the profit of the business concerned going to be part of the return which the minister will demand?

Mr. Jones: There are, Mr. Chairman, provisions as set out, I believe later in the Act here, where anything to support and to ensure that the person qualifying and subsequently obtaining a grant under the bill does indeed qualify. You will notice that in a section to come, there is discussion, indeed a listing, of those type of documents that the ministry can call on—free access to books of account, cash documents and so on. I think what they are obviously looking for there would be confirmation that there hadn't been any abuse done to the system. So the profitability from these employees, or indeed the firm's overall employment, has never been a criterion for the program. If they would merely complete a new job, they then would qualify, subject to all the other criteria that we have discussed in debate, for that dollar subsidy. How profitable they were, whether they lost money or made money, the normal process would take place in that business venture or that farming operation.

Mr. Germa: Mr. Chairman, do I understand then that any excess profit earned as a result of these subsidized wages by the province of Ontario is not a consideration? I find that difficult to accept. If a business is superprofitable, which it very well could be as a result of you and I paying part of the wages, is it proper then for the province of Ontario to pump tax dollars into a business which is already making profit which might be considered excessive?

Mr. Jones: Mr. Chairman, this came up in debate earlier and I felt we had clarified this. This is not a bill intended to stimulate fledgling businesses or businesses that are failing or new businesses that are being created. It is a bill to create employment for a crisis situation where young people are in disproportionate numbers among the unemployed in the province. It is working and working very well, and that's what it sets out to do. I would think that young people are grateful for the job, be it from a profitable firm and/or whether it be for one that is fledgling and by them joining they have helped in the profitability of the firm. I think it is simply that it is a job and something that they can learn, with that valuable component they need so desperately, namely experience, that they can go on to continue with that firm. I would think that if the firm was profitable, it enhance the chances it could be an onward going job, an onward going possible career. Profitable businesses tend to expand and make opportunities for young people, so I don't

know why we would chastise or discriminate against any firm that happens to do what all businesses are in effect for, namely to make a profit. They do make good employers. Of course, we wouldn't be discriminating against them just because they are profitable.

Hon. Mr. Welch: Profit is a good word in our economy.

Mr. Germa: Mr. Chairman, this proposition which the parliamentary assistant puts forward is in conflict with the government of Ontario's philosophy that there should be a means test applied to every handout out of government dollars. In this case they don't see fit to apply the means test. Every other welfare program in the province of Ontario has a means test.

Mr. Jones: Mr. Chairman, I don't really understand what the member is saying to us. Is he saying that he doesn't want us to be involved in this stimulating and creating of new jobs for these thousands of young people who needed those jobs, in this program that is proving itself to be working in supplying to them? I just don't follow the point that the member is making.

Mr. Chairman: Order, please. I really feel that we are getting off section 5, which really deals with the auditing and showing the return to the government.

Mr. Germa: What we are talking about in the audit, Mr. Chairman, is subsidizing private businesses. That is really what we are doing. I would like to know who we are subsidizing. Certainly we are possibly creating a job, but by doing that we are funnelling money into private business. What I am concerned about is that the private business might get more benefit out of these tax dollars than the student who is going to be employed. They have offered me no proof that this is not going to happen.

Mr. Jones: Mr. Chairman, I would just like to clarify that we are not funnelling profits into any company. These dollars are going toward the salary, and I remind you that the employer is putting the largest part of that salary up before a new job is created.

Mr. Chairman: The member for Grey.

Mr. McKessock: Mr. Chairman, before I ask my question, I would like to have a point of clarification. This bill is going to be a continuous bill that will go on in 1978 as well as 1977?

Mr. Jones: The bill before us deals until September 16.

Mr. McKessock: We understand, then, that this program will end then, it won't be a continuous program next year?

Mr. Jones: We can't talk about that at this point in time, Mr. Chairman. We are in this case dealing with the May 30—September 16 date as presented in the bill.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Chairman. Just very briefly, can the parliamentary assistant explain why the clause that was originally put in the bill before it was reprinted and re-presented, allowing for agreements with Her Majesty in right of Canada, presumably the Canada Manpower service, in relation to this youth employment program, why was that dropped? Did the ministry decide not to go forward with that particular kind of administrative route, which might have had some economies, or were there other reasons for dropping that particular proposal?

Mr. Jones: As I understand it from the legal staff, it wasn't necessary. It was found to be unnecessary for the government to continue its intended and onward gaing discussion with the other level of government.

Mr. Cassidy: Have, in fact, any such agreements been struck with the Canada Manpower service or any other similar body?

Mr. Jones: I can't say, Mr. Chairman, that there have been any specific conclusions drawn, but they are well on their way and have some very encouraging prospects; and as members know, almost all of the program is operating in concert between the two. We are discussing such things as funding.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Mr. Chairman, I am not talking about legal matters, although I happen to be a lawyer, so please don't answer me about what the legal staff tells the ministry about it. My colleague, the member for Sudbury, raised a very important point for anyone who simply reads the bill. I take it that under section 3 of the bill, provision is made for the making of grants. My first question is, is there any other way except by grant that moneys can be paid out under the authority of this bill?

Mr. Jones: Mr. Chairman, I know of no other method by which an employer could receive any payment other than in the grant, as we understand it, the dollar.

[3:45]

Mr. Renwick: Then if I can go to section 5, which is the section under discussion, why is there any need to provide the additional words "or distribution of money under this Act"? Is subsection 1 of section

5 supposed to read: "Every person who receives a grant pursuant to section 3 shall at such times and in such manner as may be prescribed make a return to the minister in such form as the minister requires"?

Mr. Jones: Mr. Chairman, if I understand the member's question we're back talking about the grant for distribution. I don't have any knowledge other than legal—

Mr. Renwick: I'm not particularly interested in that. I'm not talking about the value of the bill, or the value of the program, or how good it is, or how bad it is, or what it's ideological concept is at all. I'm talking about the obligation of the minister responsible for this bill to account accurately for the public funds which are going to be spent. I think one of the accounting provisions is section 5(1), and I want to understand that no money can be paid out under this bill except pursuant to a grant under section 3.

Therefore, as my colleague from Sudbury was saying to the parliamentary assistant, I want subsection 1 of section 5 tightened up to make the provision that every person who receives a grant pursuant to section 3 shall at such times and in such manner as may be prescribed make a return to the minister in such form as the minister requires. That would appear to me to be the way in which we say, "You make the return because you've got a grant under section 3 which is the sole authority in the bill to pay out the money."

Mr. Jones: We would be agreeable to an amendment of that subsection as outlined by the member, perhaps to read: "5(1): Every person who receives a grant of money under the youth employment program established under the Act shall at such times in said manner as may be prescribed make a return to the minister in such form as the minister requires." I wonder if that might satisfy the member's point as raised?

Mr. Renwick: I'm satisfied that that's an improvement over the provision that is there. Of course, it's not as good as the method that the member for Sudbury and I would like, but we'll accept that as a compromise.

Mr. Chairman: Is any member going to propose an amendment? Thank you.

Mr. Jones moves that subsection 1 of section 5 be amended by substituting the following: "Every person who receives a grant of money under the youth employment program established under this Act shall at such times and in such manner as may be prescribed make a return to the minister in such form as the minister requires."

Motion agreed to.

Section 5, as amended, agreed to.

On section 6:

Mr. Bounsall: I have a series of questions under section 6, Mr. Chairman, which expresses some of my concerns. The youth secretary will recall yesterday he responded rather favourably to my suggestion that maybe he should get from the employment standards branch those thick files which they have for the purpose of knowing who to inspect after one has given the grant.

My question is in this regard, how many additional persons are you hiring to do the inspection? If you are not hiring any additional inspectors to do the inspection but are relying upon personnel already there within the ministry, would they from time to time loan those personnel to the employment standards branch on a regular basis so that they may perform the checking under the regular divergences from the normal employment so that they may shorten the time from four to six months that it takes them to check out a case because of their overload? I would just like to know how many there are and if they would be made available to the normal form of job inspection so that an adequate job can be done on a continuing basis in the normal fashion, which I hear from employment standards officers they are so overworked to the point that it takes them four to six months to complete the investigation of a case?

Mr. Jones: Mr. Chairman, I am not familiar with the employment standards branch, and to what extent the officers are overworked. However, I can say that in the administration of this program the youth secretariat has hired 22 people who are working to make certain that there aren't abuses, to help the most efficient running of the program for the maximum benefit, and the municipal subsidies branch of Treasury, Economics and Intergovernmental Affairs, another 35. Then there is a hard core of very seasoned and experienced people of the type we discussed, available between those two offices who will be working on an onward going basis for, yes, the audit period and, yes, of course, the mechanics of gathering together the criteria and the statistics that we discussed. In fact, I would say to the member that we would have the outline in the type of statistical data that we will be gathering ready within the next couple of days and I would be happy to share a copy with him. That is in addition to the other material I talked to him about.

Mr. Bounsall: I appreciate that.

Mr. Chairman: Shall section 6 carry?

Section 6 agreed to.

On section 7:

Mr. Cassidy: Mr. Chairman, I am disturbed by section 7(4), which refers to the secrecy provisions of this particular bill. It seems to be exceptionally rigidly drawn. I am not sure whether the minister's assistant has had some words with the member for Riverdale about this, but if I can quote it it says; "No person employed in the administration or enforcement of this Act shall disclose information obtained under this Act, except where the disclosure is necessary for the administration or enforcement of this Act or where the disclosure is required by a court."

Mr. Chairman, as I read that particular section it seems to me what that means is that even the basic statistical information which the assistant was so liberal in promising during the debate yesterday will be denied to this House, because there is no way, after that section of the bill is passed, that any kind of a report can be made. In addition, there are other problems, which I think are more complicated problems, as between the confidentiality which is normally given to people in the private sector generally on the one hand, and the fact that these people are receiving a grant of substantial sums of money—in some cases I guess they can be eligible to receive up to $3,000 or $4,000; I suppose it is not a lot but it is something—from the Legislature, and substantial sums of money are involved. Is there not some way that this section could be worded differently in order to ensure, first, that where concerned members of the public do have a particular need to know about money going out into the private sector, that that becomes public, or at least becomes available, second, that that treatment be extended to members of the Legislature, and third, that we and the public become entitled to adequate statistical information on the workings of this particular program, which, as the assistant has said, is new, and that information which would otherwise be deprived if the section stands as it is right now?

Mr. Jones: Mr. Chairman, the speaker refers to subsection 4 of section 7, and under section 1(a) we are talking about free access of books of account, of cash, documents, bank accounts, vouchers and other critical information of that employer if it was called upon by the minister. Of course, that is what subsection 4 speaks to in order to protect the employer. Of course, information can be released in the aggregate, which I was talking to yesterday in debate and again mentioned for the member for Windsor-Sandwich, but not on an independent individual returns basis.

Mr. Renwick: Mr. Chairman, if I just could pick up on that point, I understand the need for confidentiality in The Corporations Tax Act or The Income Tax Act or that kind of statute which deals with the personal or corporate financial secrets of the particular business organization.

I think what is concerning us here is not a roving expedition in order to find out about the business of such-and-such a person, but surely we should be entitled in very bold terms to say to the minister or to the parliamentary assistant, "This program was put into force on such-and-such a date and ended on such-and-such a date. Will you now publish, as indeed may well be necessary in public accounts, the names of all of the persons and the amounts which were received by them by way of grant under this youth employment program, so that we know who the people are who have had the benefit of this supplement for wage purposes?"

I think that is all we are trying to get at in the bill. It seems to us that we should know who receives a grant and how much that grant was for the period of time during which this program is in effect—which, although the bill doesn't state it, and we'll come to it in a few minutes, under the regulatory power is presumably from May 30 to September 16, as was stated by the Treasurer in the budget.

But this seems to preclude, so far as I can see, any need in public acounts for a list to be made of all persons who received these moneys and the amount they received, and seems to preclude us from putting an inquiry on the order paper to the ministry saying, "Who did receive this money and how much did they get?" as part of the information we would expect to get for the purpose of making a review and assessment of the effectiveness of the program for the purpose for which it is being introduced.

Mr. Cassidy: Mr. Chairman, maybe I could just make this suggestion. To pick up on the point of the member for Riverdale, I think there is a clear distinction, as the member for Riverdale has pointed out, between the general parameters of the plan—what industry it was, what firm got how much money or what firm had how many people—and the more specific details. I agree that this is not the place or the Act, and perhaps nowhere is the place or the Act, for the public to have access to the information which the minister's designate has the right to look at under sections 6 and 7 of the bill. I think that is the distinction to be made.

I was just about to write an amendment, which I would commend to the parliamentary assistant. However, I think if we made one change in section 7(4) it would meet the objections that we have and could be acceptable to the ministry. That is, instead of saying that all information obtained under the Act is absolutely confidential—including the number of grants, the amount of money spent, and that kind of thing—it should say: "No person employed in the administration or enforcement of this Act shall disclose information obtained under this section or section 7."

In other words, the confidential company material to which a minister's inspector or auditor can become privy when he goes to look at the books of the company, has to be kept confidential except where it is necessary for enforcement of the Act or for court purposes. However it's not an omnibus kind of control which would impair reasonable kinds of disclosure of information which it seems to me is in public interest.

I will so move, Mr. Chairman, and I'll write the amendment out right now.

[4:00]

Mr. Chairman: The amendment will not be put until it is received, if the parliamentary assistant would like to make a comment.

Mr. Jones: Perhaps while the member is writing that out we could ask him to reconsider its necessity in the light of my comments. First, as I mentioned, I think the main purpose we were discussing in debate yesterday was the knowledge that could come as a side benefit out of this program. We have early figures I've already shared to some extent in the debate and I have made a commitment to make those figures available in aggregate terms.

Further, I think it's quite within the scope of this program that we could provide information to an individual member of the House if he requested it at any time in confidentiality—not to be published. I think that's the intention. A well-known pickle company, for example, may not necessarily want to have statistics that they might supply to us printed and appearing in some kind of newpaper discussion about their internal affairs.

We have as our primary intention under this bill the provision of jobs. In recognizing that we're doing that in partnership with the private sector we're anxious not to discredit the program. We don't want to frighten away bona fide employers who do have the capacity and would join us in providing new career opportunities and in putting some vitality back into the business economy where young people might have been missing heretofore. And, of course, businessmen do have some guarded thoughts when it comes to supplying some of that material. They're happy to do it, as we've seen in our applications.

I think the minister is prepared to say that we could provide to individual members of the House, if requested in confidentiality, any of the information that they might want to satisfy themselves about that company with those six employees—and as the member mentioned it's probably something like $3,000 at the very maximum that they could be receiving. That would be made available.

I might also say that is why we have, as it happens, not only the Manpower facilities checking the legitimacy of these firms; also we have the Youth Secretariat doing so, because we have some social conscience about the nature of the jobs. Then, of course we also have a followup of the municipal subsidies grant; you have some long-standing expertise in checking that. Now if that helps the member, or whether he still wants to proceed with his amendment—

Mr. Renwick: I heard the parliamentary assistant; I think what bothered me was the "in confidence" part of it. I am a great believer in transacting public business in public.

It seems to me that I don't see any interest that is hurt in any way by an inquiry being put on the order paper by a member of the assembly, asking the ministry to list all of the grantees under this Act and the amount that they received. I don't know any way in which a person who is making an application for a grant can be hurt by that kind of public disclosure. But at least the knowledge that that information would be available is an added protection to the Treasury against people trying to rip the system off. It is a way in which we will be able, with that information to ask in an objective sense for the kind of additional information from the ministry from their monitoring processes that tells us we expended this number of dollars, we created this number of youth job employment opportunities for this period of time.

Then you can talk in accounting terms about sort of the cost benefit of the program. Did it work? Did it make sense? Is it a viable one? Because one of the things which is obvious about this bill is that there's no self-destruct provision in the bill. When this summer is past and September 16 has come and gone, this Act will remain on the books for next summer. The only thing that ties it into summer is section 2 which refers to "summer". So I don't think it can be used for job opportunities at other times in the year, but I can see that it's going to continue

on the books and next year there'll be a new statement about summer job opportunities for youth; so this has a continuing effect.

If we are launching upon a series of summer job opportunity programs for young people, which is certainly envisaged by the fact that the bill doesn't self-destruct, then I think we in the assembly have got to be in a position where we can get the basic information, with the guidance and the assistance of the ministry, to make the assessment that is necessary about the value of spending this number of dollars to do this job of work. That is our sole and only reason, and therefore I'm always worried when something is disclosed to me in confidence by the government. We've had that problem before, and it's always a mistake for a member of this assembly to receive information in confidence about public matters in that sense.

If the parliamentary assistant's statement to us could stand clearly on the record without the words "in confidence" in his remarks, then I'm quite happy to let the record stand so that we can get the information in the assembly.

Mr. Jones: Mr. Chairman, first I would merely explain that our concern is not that we'd sensed any reluctance by these employers we've been in contact with to share this information, merely that we did want to make certain that we didn't turn off any potential jobs to the young people.

In any event, there is one thought that strikes me, and perhaps the member would give me his learned opinion on it. Subsection 4 reads: "No person employed," which does not preclude the minister from making available that information obtained under this Act.

Mr. Chairman: Shall section 7 carry?

Mr. Renwick: No, Mr. Chairman.

Mr. Chairman: No? The member for Riverdale.

Mr. Cassidy: Are you making that as a motion or as a suggestion?

Mr. Jones: No, I was asking the previous speaker if perhaps he wanted to pass comment on that.

Mr. Cassidy: Are you suggesting that ministers are super-human?

Mr. Jones: No, I'm merely saying—

Mr. Cassidy: Inhuman.

Mr. Jones: —it does not include the minister as written. But to satisfy the members who have talked to this subsection—

Mr. Cassidy: What happens when you get into a telephone booth, Bob?

Mr. Jones: —we would be happy to make an amendment, Mr. Chairman.

Mr. Renwick: I would be quite happy. I'm not a grammarian, but I would assume if subsection 4 read: "No person other than the minister."—no; "No person employed in the administration or enforcement of this Act other than the minister shall disclose the information obtained under the Act." Presumably we could ask the minister then for information. Subject to your support.

Mr. Jones: I would so move, that in section 7(4), second line after the words "of this Act", the words "other than the minister" be inserted.

Mr. Chairman: The Chair would be glad to accept that in writing.

Mr. Cassidy: The Chair is being obstructive.

Hon. Mr. Welch: This bill runs out in September, I hope we can get it carried by then.

Mr. Cassidy: We may make it.

Mr. Gaunt: What is this requirement about two hours' notice?

Mr. Peterson: Mr. Chairman, in fairness, on a point of order, don't you need the general consent of the House at least to introduce an amendment with no notice; under the new rule? You created a horrible fuss for my friend from Huron-Bruce the other day.

Mr. Chairman: With respect to the member for London Centre, I believe it says "wherever possible" in the rule. I realize there was a bit of a problem at the last sitting of the committee.

Mr. Jones: As I set this in writing, Mr. Chairman, I wonder if I might ask the members' indulgence and consideration of this amendment as an alternative to our insertion after the word "Act" in section 7.

I would move that subsection 4 of section 7 of the bill be amended by striking out "this Act" in the third line and inserting in that line the words, "section 6 of this section."

Mr. Cassidy: That is what I moved 10 or 15 minutes ago, Mr. Chairman, and it's obviously acceptable to us.

Mr. Peterson: Would you repeat that?

Mr. Renwick: If I may, Mr. Chairman.

Mr. Chairman: Excuse me. May I just put the question? Then we can discuss the amendment.

Mr. Jones moves that subsection 4 of section 7 of the bill be amended by striking out "this Act" in the third line and inserting in lieu thereof "section 6 of this section."

Mr. Cassidy: "Of this Act."

Mr. Chairman: May I ask the parliamentary assistant, did he say "section 6 of this section"?

Mr. Jones: "Of this Act," Mr. Chairman.

Mr. Chairman: So it's corrected to read: ". . . and inserting in lieu thereof 'section 6 of this Act.' "

Mr. Jones: Just to clarify it, Mr. Chairman: "Section 6 or this section."

Mr. Renwick: Yes, that's fine.

Section 7, as amended, agreed to.

On section 8:

Mr. Renwick: On section 8, Mr. Chairman, I was able to have a brief word with the legal adviser to the parliamentary assistant and whatever other capacity he operates in. All I want to do is to read into the record a portion of the memorandum which was given to the parliamentary assistant in connection with this bill so that everybody understands clearly that it has this effect. I quote from that memorandum of today's date to the parliamentary assistant:

"Section 8, subsection 1, creates an offence for a false or misleading statement in any document required by the Act. A statement can be false or misleading by reason of one of two factors: (a) a positive false statement or (b) the omission of a material fact. The saving provision in subsection 2 of section 8 is broad enough to cover any false or misleading statement, whether made as a result of a positive statement or the omission of a material fact."

I simply wanted to put that on the record because a number of people not knowledgeable in the arcane science of the law believe that if they omit to state something, they can't be held responsible for that omission. I'm quite happy with the explanation which we have received but I did want the record to show that is the net effect of the whole of section 8.

Section 8 agreed to.

On section 9:

[4:15]

Mr. Peterson: I regret that I missed out on the discussion on section 3 earlier. Much to my embarassment last night I thought we were still discussing this section. I am just not satisfied and I want to hear from the parliamentary assistant what pre-audit condition and terms are being imposed here. Are you asking for affidavits upon application?

I go back to that very hoary memory that I have about the first-time home owners' grants. It is great to talk about all these charging sections after the fact, but it would be much nicer to make sure that none of these things happen. Certainly the experience there was not so much deceit or malice aforethought; it was just a lack of understanding of the legislation and lack of understanding of the rules, and we saw a tremendous number of problems resulting therefrom.

I just want to be very clear in my own mind. If I am asking for you to repeat, I apologize for that. What percentage are you checking, how are you checking, and what kind of pre-audit system are you using?

Mr. Jones: Mr. Chairman, yes, the comparison was made in debate of the home buyers' grant. Indeed, this Act does provide for much broader audit and inspection powers, and in fact they are taking place. They commence originally with the employer going to the Manpower student centre. The application was especially designed for us to convey both verbally and by the application just what the requirements are, plus there is the material for that employer. However, there is also a telephone clarification and check and discussion with that employer at that early stage before any acceptability.

Mr. Peterson: By whom, to whom?

Mr. Jones: That is by the municipal subsidies branch people. Then the application is returned to the Manpower office where it is recorded, and it is there for several reasons. One is, the young people can go there and ask. Of course, the local Manpower office also clearly knows the circumstances of that employer in its particular region. Then it comes to the Ontario Youth Secretariat where it is again checked and then it goes to the subsidies branch of TEIGA. At that point, yet again there is the final clarification before it is sent back as having been approved.

That is followed up by a visitation of staff to the employer, and that might take the place of a phone call in the early stages if there is just one employee. Maybe the firm is well known to the people working in that community, who might well have visited him to encourage him to take advantage of the plan and might know his circumstances. Then there is the auditing both on a spot and onward-going basis and there is a proviso for a wrapup complete audit at the end of the program.

Mr. Peterson: On what percentage of the cases do all those checks and balances take place—in every single instance of an application or just 10 per cent or 15 per cent? You are telling me that in 100 per cent of the cases the employer has to go to the Man-

power office, sit down with the Manpower officer and fill out the application form in conjunction with him? Is that what you are telling me?

Mr. Jones: Mr. Chairman, he may not physically go to that Manpower office. He very likely has a Manpower representative calling on him on a regular basis if he is an employer of any substance and it may be that several applications are brought to him and other large employers in the area.

Mr. Peterson: But you are saying the Manpower officer is there in 100 per cent of the cases.

Mr. Jones: In the early stages they have been able to do that with the manpower that we have available from the two different levels of government that are working on it. I won't undertake to say that every one of them is going to have that complete audit, given the numbers that we are now starting to deal with, as we have approved no less than some 13,000 applications representing some two jobs.

We may not have that capacity to do them all but I certainly would hope that the high percentage that we have been able to maintain—which would run I would guess somewhere in the order of 100 per cent as far as the telephoning that has taken place is concerned, probably I would think at least 50-and-better per cent of actual visitations—I hope we will be able to maintain that through the rest of the summer, because it is also a fact-finding and gathering mission that we are on and there are a lot of other benefits that flow from it. So it is a very high percentage. I hope we can maintain it.

Mr. Peterson: Are you planning post-audit for a percentage of them, or what plans do you have for that?

Mr. Jones: There will be a complete post-audit taking place and, of course, we will be marrying into that all the on-spot ongoing audits that have taken place during the course of the program.

Mr. Peterson: I pass on for whatever it's worth a reaction that I had from looking at that first-time home owner's grant—and the member for Riverdale may or may not agree with me; I would be interested in his comments on it—that had there been an affidavit attached to the application it probably would have impressed applicants. One can argue about the legal efficacy of swearing an affidavit. On the other hand, it seems to me that it would have impressed the solemnity or the seriousness or the gravity of the situation more on the applicant, and I tend to think personally there may have been fewer abuses. The great problem in that one, in my judgement, was just poor administration and ignorance of the program throughout the system, and of course no pre-checks. That seems to me one easy, simple little check that costs no money, that perhaps is not on the applications and there is nothing we can do about it now, but had I been asked, it would be a suggestion that I would have had at that point. Do you have any reaction to that, or maybe the member for Riverdale has a reaction to that?

Mr. Jones: Mr. Chairman, if I may, I would remind the member that we have already had a 10 per cent rejection, so I think you can tell that this is being very carefully handled. I can tell you another thing, I think it was mentioned before several times, that we have three levels of government. For the most part, these people are familiar with such a program, they do have banks of people who are quite capable. I don't know of any program, certainly not the home buyer's grant, that had three different sections of government dealing with it from a different slant of expertise in it. On the application, incidentally, in a very prominent way at the very start of it, there is the declaration that the signature of the employer must be attached to. "I declare that the employment of persons under this program will not result in dismissal, layoff, reduction in regular hours and periods of work of any existing employees. I declare that all information given above is true and complete in all respects." It goes on: "I understand that the amount of any grant given on the basis of an application containing false or misleading information is subject to repayment with interest. I further understand that it is an offence under The Youth Employment Act, 1977, to knowingly give false or misleading information, and all information provided in connection with this application is subject to verification and audit."

I think that puts it very clearly in an otherwise simplified application, which we intentionally did try to design, so nobody is being kidded either way.

Mr. Peterson: I accept that and I know you have thought it out. I just want to express my own reservation that I think in that particular case the government invited all of the abuses that it received, and it still isn't cleaned up after the fact. At this late date, all I can say is I hope you put the attention into that that it requires, because government can make people into cheaters

and liars, if they are not very careful. We must avoid that at all costs. I am satisfied.

Section 9 agreed to.

On section 10:

Mr. Renwick: Mr. Chairman, I would like a statement under section 10, which is the power to pass the regulations—although the bill is couched in very general terms, and as I said a few minutes ago, has no self-destruct provision in it and will be an on-going bill that will remain on the statutes—that the one and only program the government now has in mind to be covered by the regulation which the parliamentary assistant assured us last night would be promulgated within a few days after the bill receives royal assent and comes into force, the program we are talking about is the one described by the Treasurer in his budget statement in 1977 on April 19, and more elaborately set forth in appendix B to that budget statement, referring, of course, to the $1 supplement per employee hired under the employment opportunity program, and refers to the time period of March 30 to September 16.

Mr. Jones: Indeed, as the member outlined, there is no authority at this time for the regulations until the bill is passed. But as discussed in last evening's debate it will be going forward immediately, within a couple of days, to the regulations committee.

Yes, the background paper is in the budget, in appendix B—I believe it was budget statement 39—and therein it does set out such things as the date the hon. member mentions, May 30 and it runs to September 16.

There are also such other items as the dollar, as mentioned, and such items as the employer restriction to six, I believe, six jobs per site.

There is indication the employer will be required to submit monthly statements signed by the employer and the employee jointly to verify hours and wages. All that's set out in that appendix that the member refers to, yes.

Mr. Walker: I'd like to raise questions with respect to the regulations. I presume it's the intention of the parliamentary assistant to have a program that will be governed by regulation in the sense of a start-up period. The start-up period is written in in section 10(2); and the finish period, which would presumably be September 16 this year, that would be done by regulation.

What I'd like to have clarified is whether or not this program is intended to be an on-going program. If so, perhaps we can deal with it on that basis. But if it's intended to be a once-in-a-lifetime program perhaps this is where we should be writing in a terminal date, perhaps in one of the later sections; or perhaps in section 10(2), the regulations section.

This sort of relates to the question of a sunset law that I've been promoting for the last couple of years. I was very pleased to see the Liberal Party adopt part of my platform this year in their most recent election effort.

Mr. Peterson: You're a real leader in your own way.

Mr. Cassidy: They've already dipped below the horizon.

Mr. Walker: So I'm wondering if it would be appropriate to write in a termination date if this is intended to be a program that will fall by the wayside this year.

Mr. Eakins: We're setting your termination date.

Mr. Walker: If such is not the case we should at least be aware that it could be on-going and forever. Frankly, I do not like programs that continue on and on and would prefer some form of terminal date. If there is reason to bring a new program on stream in another year—1979 or 1988 or whatever it is—then instead of relying on the previous legislation a new Act could be introduced to cover that particular situation.

There is a value, Mr. Chairman, I think, in legislation dying after a while. Frankly, we have so many programs on the books it becomes absolutely impossible to keep track of what we do have in the form of legislation and regulation.

Mr. Cassidy: It's the dead hand of government being extended by Conservatives.

Mr. Walker: As my friend mentions, it is just the kind of thing that ensnarls small business.

Mr. Cassidy: The tentacles of statism.

Mr. Walker: But in any case, I would be pleased if the parliamentary assistant would respond to that question and consider whether termination date would be appropriate at this time.

Mr. Jones: Mr. Chairman, I appreciate the comments of the member. The bill is, as has been mentioned in debate, an onward-going one, and the dates being dealt with for this year are as contained in the regulations.

I think it's very difficult for us—and we've seen it in this debate—given the changes that are taking place in the work place as they affect the youth unemployment problem. We know it is of international magnitude and is very difficult. We hear talk of it peaking in

1980 and 1981 as the postwar baby boom clears through that young go-to-work period. It is very difficult to achieve that. The bill is planned as an onward-going program, and the government would have to determine the extent and the scope of any changes in design that might be found to deal with other circumstances that may exist next year or in some other period of time. But I think it's clearly said, as the bill has stated, and of course in the regulations—

Mr. Renwick: Mr. Chairman, I'd like to comment, because it came from the member for London South. In his 22 months in the wilderness he's moved to the right, even further than I thought; and his allusion to the Liberal Party puts him in that camp. As a matter of fact the Liberal Party may get Gordon for Marvin; you never can tell.

[4:30]

Mr. Peterson: Throw in a case of beer with it.

Mr. Walker: Mr. Chairman, are we to interpret from what the parliamentary assistant is saying that this program will in fact be in place next year, 1978; and that the youth of Ontario can expect that same type of dollar-match program?

Mr. Cunningham: That's what he said.

Mr. Jones: If we have these needs that we are experiencing now I can certainly say that we in the Youth Secretariat will be looking forward to seeing the program operative again next year, given the success that we have here.

Mr. Renwick: I want to comment on this section because of the remark made by the member for London South and because of the remark made by the parliamentary assistant.

One of the values of the system that we have as set out in a clause which we'll come to in a minute is that we don't need sunset laws. We don't need specific dates in them because the moneys can only be made available if they are voted by this assembly. Therefore you can always stop a program if you actually face up to your responsibility at the time and don't vote the money for the program.

It's very easy to do it that way, rather than to hide behind a date which we would now fix for the so-called sunset date on which there will be no youth unemployment problem. The problem in the United States, where the term "sunset law" came from, is that the funding of those programs are ongoing without any method of stopping them. We can stop them every year in the estimates by not voting the money to be appropriated for that program. We, therefore, under our system of government accept that responsibility and don't duck it. We stop programs when they are no longer necessary.

Mr. Walker: That would be a confidence motion.

Mr. Renwick: It would not be a confidence motion at all. If the assembly didn't vote the funds by way of appropriation, then the moneys would not be available. If the government chose to treat it as a matter of confidence, that would be fine. It's a matter of judgement and responsibility.

Mr. Peterson: Is the member for London South moving an amendment or what exactly is he doing?

Mr. Walker: No, Mr. Chairman, I am content to hear that the program is going to be ongoing and that in fact the youth of Ontario can expect that the same program will be there in 1978 and 1979, unless repealed in the meantime.

Mr. Renwick: No, they can't.

Mr. MacDonald: The member hasn't grasped it.

Mr. Peterson: Unless he is electioneering, he totally misunderstands what the parliamentary assistant said and the whole object of the bill. It is going to have to be a function of a new allocation of funds in the future and the mechanism is there. Are you saying the mechanism should be abolished, or are you saying we shouldn't vote funds—

Mr. Chairman: Order, please, would you direct your question through the Chair to the parliamentary assistant?

Mr. Eakins: The parliamentary assistant is advising—

Mr. Peterson: Would you direct my questions over to the member for London South?

Mr. Chairman: No, I wouldn't.

Mr. Jones: Mr. Chairman, on a point of order, I wonder if we could get back to the clause by clause. I do believe that we've satisfied most inquiries that it isn't an ongoing program. Next year there would be an assessment in due course and I think I've given our indication how we feel on the program and how it might have improvements from the benefits of the knowledge as we come to know about it. I think we're all pretty well clear on that, if we could move on.

Mr. Cassidy: Mr. Chairman, a brief question on section 10. The unemployment rate for young people who were students in May was 13½ per cent, 38,000 out of 280,000 who were in the labour market. Has the parliamentary assistant a figure for the number of young people, students in particular, who

were unemployed in June and what other provisions have they forecast for the rest of the summer?

Mr. Jones: Of course, there are no statistics available now that the students have come into the market. We haven't had the benefit f those. However, we have had actually a reduction of the unemployment figures relative to young people as a whole. That includes the student population, which was calculated in them previously. February was probably our peak as we see it. We've had a reduction in the May figures, but nevertheless they remain very high and very serious. We know that this year's numbers coming into the work place for full-time—we were touching on it yesterday—was that figure of 197,700 and a participation factor of some 60 per cent of that.

We do have reduced figures, and we have some projections that have come from the federal level of government as well, which we have been able to work with, that clearly show, as was recorded in the last three or four years, that we will have a decline in the tail end of June, through July, through August, into and including September. Then we will see that graph take off again as somehow in October the summer employment figure seems to rise again. It was 12.9 in May—and that would be for youth, of course, not students—and then all the summer employment programs come into play.

But perhaps we could provide you, as we were going to be doing in the next two weeks, with some of the material that I was saying we used in the design of this program. We would have the update material I would think by then and we could pass that along to you.

Mr. Renwick: Mr. Chairman, I think it's worth a comment that in section 11 we are imposing a limitation period of two years from the event, so that in fact if there is any fraud under the program or any misrepresentation that could lead to charges of any kind, the Legislature is establishing a limitation period of two years. For want of anything better I accept that, but I think the House should be aware that that limitation is contained in the bill.

Mr. Jones: I believe that in other bills of this kind the statute of limitations would be something in the order of six months. It was felt necessary to see it go to the two years in the audit period to make certain of any lack of abuses.

Section 10 agreed to.

Sections 11 to 14, inclusive, agreed to.

Bill 11, as amended, reported,

On motion by Hon. Mr. Welch, the committee of the whole House reported one bill with certain amendments and asked for leave to sit again.

THIRD READING

The following bill was given third reading on motion:

Bill 11, An Act to provide Employment Opportunities for Youth in Ontario.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved second reading of Bill 12, An Act to amend The Retail Sales Tax Act.

Hon. Mrs. Scrivener: Mr. Speaker, Bill 12 proposes amendments to The Retail Sales Tax Act in order to meet certain objectives of this government's budgetary policy as follows:

As we all know, the need to conserve energy and explore new energy alternatives is critical. This bill proposes to exempt from retail sales tax, thermal insulation materials used in buildings and certain alternative energy sources such as solar panels designed to collect energy.

This bill also proposes to increase the exemption level for retail sales tax purposes on charges for admission from 75 cents to $3. It is hoped this will be of considerable assistance to local social, charitable and athletic organizations in their efforts to raise funds for their own support.

Tourism is one of Ontario's largest industries and must remain competitive with that of other jurisdictions. Accordingly, this bill proposes two items:

1. A complete exemption from retail sales tax for certain disposable items used in hotel, motel and similar establishment guest rooms (examples are disposable sewing kits, facial tissues and bar soap); and

2. An increase in the exemption on prepared meals from $5 each to $6 each.

In recognition of increased costs, this bill also proposes an increase in the amount of compensation paid to vendors for collecting the retail sales tax. The new rate is four per cent of tax collected up to $700 in a year. This is a one-third increase in the rate and a 40 per cent increase in the maximum.

These changes reflect the government's recognition of changing social priorities in the case of energy conservation and of the need to help keep Ontario industry competitive with other jurisdictions.

Mr. Peterson: On a point of order—and I want your advice on this, Mr. Speaker—it seems to me when we are dealing with this

bill it should stand down, particularly behind the bill to impose on certain pollutants, because what we're talking about in this particular case is a tax on a tax and it seems to me some of the sections here are dependent on what happens with that particular bill. It is my understanding that there is a considerable amount of disagreement, particularly from the opposition, on that particular bill. It seems to me that we would be in a better position to discuss this bill, having disposed of that bill, which I believe is numbered 53.

Hon. Mr. Welch: The member for Sarnia (Mr. Blundy) has already served notice as to what he is going to do with it. Has the hon. member seen it?

Mr. Peterson: Yes, we've served notice that we are going to amend. But, just to carry on with that, if Bill 53 passes, it may affect the judgement on this particular bill. I'm saying that to regularize the order, we would be better off to discuss this bill behind Bill 53. I'm just trying to be helpful and constructive here and I think the government House leader, if he thinks about it, will probably agree with me.

Mr. Acting Speaker: May I draw to the hon. member's attention that the Chair does not make the decision on calling the order of business and unless the government House leader wishes to comment further, perhaps we should proceed.

Mr. Cassidy: On the point of order—and I guess the government House leader would say this as well—if no tax is payable under The Environmental Tax Act as a result of actions that are taken by this House this evening or within a couple of days then, as the member for Lakeshore (Mr. Lawlor) would say, this particular amendment at the beginning of Bill 12 becomes nugatory and doesn't really count. Therefore, it is quite appropriate to proceed at this time on this bill. Obviously the major principle is not that particular section but the other sections that the minister referred to.

Mr. Peterson: Just to respond to that, we are then going to end up with a statute that's got excess verbiage in it referring to a nonexistent statute—

Mr. Acting Speaker: Order, please. The government House leader has called the order of business. I think there has been discussion on the point of order. I would ask the hon. member for Sarnia to continue with his debate.

Mr. Blundy: In my remarks on Bill 12, Mr. Speaker, I was going to raise the same point that the hon. member for London Centre has already raised. However, I would like to make some comments following the minister's brief comments on the bill.

We are very happy to see that there will be exemptions for thermal insulation and other materials to help conserve energy in this province. This is very important to us and we are very happy to see that in this bill.

The matter of the compensation payable to the vendors who are the collectors of tax, in my opinion and in the opinion of many of us in Ontario, is long overdue and will be welcomed by them. It is a compensation that is well deserved, in my opinion.

To be quite brief in my response to the bill, we in the official opposition agree with all of the items included in this bill for the amendment of The Retail Sales Tax Act, except for section 1(1)(ba). As you know, Mr. Speaker, I have already given my notice in writing to amend this bill, and the amendment would be to delete section 1(1)(ba).

[4.45]

We in this official opposition do not agree with what is proposed in The Environmental Tax Act, the tax on cans. We are hopeful that will be withdrawn or defeated. It seems to me that we ought not to be placing in this bill a tax on that proposed tax, which I don't believe will ever come into being.

Secondly, I don't think that it is even constitutional. I don't believe that we are able to impose a tax on an existing tax. However—

Mr. Roy: Good point. You should know that; it's true.

Mr. Blundy: However, Mr. Speaker—I'll get used to those interjections shortly.

Hon. Mr. Welch: They are all coming from your side.

Mr. Blundy: However, Mr. Speaker, I am now giving notice of amendment to delete section 1(1)(ba). Otherwise, we support the bill as placed before us. Thank you.

Mr. Acting Speaker: The hon. member for Brantford.

Mr. Makarchuk: Thank you, Mr. Speaker. In rising to discuss this grab-bag collection of nonentities which is being passed on as a major policy statement of the government—actually the bill represents, I think quite accurately, the major tax statement of the government, but there's really nothing in it that is going to change anything or improve anything.

I think there are some specific little sections that will provide some assistance to some people. Particularly I welcome the increase in exemption on the entertainment

tax. I think there are little drama groups around the province, tractor-pulls, fairs, community shows and so on, that will probably find this a useful tax exemption increase and it would help them.

In terms of the meals, I think that again this is the minister's thrust, or the government's thrust to try perhaps, and I think the Treasurer said this in his speech, to improve the tourism trade in Canada. I think you'll find that any meal under $5 or under $6 these days, if you can get it for $2.25 or $2.50 it's reasonable, and anything that is a little better is over $6, so in terms of the total effect on the restaurant industry, I just can't see it having any advantage whatsoever. I'm sure the hon. government House leader knows that it's very difficult to get a decent meal these days under $6 and most other members around here have similar experiences.

Hon. Mr. Welch: Great quality meals at Niagara-on-the-Lake though.

Mr. Swart: You get a special rate, Bob.

Mr. Makarchuk: The minister waxed euphoric over the conservation of energy and it seems the minister has come to the conclusion that energy is critical. I'm sure that's an amazing revelation to her at this time. So as a result of this rather amazing revelation, what do they do? They're going to take the tax off thermal insulation.

We can't argue with that. I think that it's not a bad move; it's a move in the right direction. It's something that should have been done a long time ago, something that's been advocated and discussed on many other occasions.

I think, however, that we should put a little clause in there to the effect that perhaps this insulation should be produced in Canada. I think that's one way of taking some advantage, or providing some kind of a tax incentive to our own industry. I think that's an amendment that should be considered for that particular section.

Mr. Makarchuk: In terms of heat pumps, I doubt if there are 100 heat pumps sold in Canada in a whole year. The people who have the money to install the heat pumps can well afford to pay the tax. Heat pumps are not very cheap. It's a very expensive installation and generally this is the kind of a tax that's really to the benefit of the wealthy. The average individual in Ontario is not going to be buying a heat pump, he has problems getting a house. And the apartment dweller, what kind of a heat pump is he going to use?

Mr. Roy: Do you have a heat pump?

Mr. Cunningham: On your boat?

Mr. Makarchuk: Once again, just looking at this particular section, it mentions heat recovery units. That's interesting because, in looking at the technology that's available in terms of heat recovery units, it's really not the kind of equipment that's readily available to the average home owner. It's equipment that will have to be specialized, and certainly most homes do not provide too great an opportunity for the installation of this kind of equipment.

Another exotic little gimmick mentioned here is "solar cells to be used to produce directly from sunlight electricity to charge batteries." How many people does the minister really think are going to take advantage of this? Is this her answer to the energy crisis, a little tinkering here and a little tinkering there? How many people in Toronto are going to rush out tomorrow or the day after to buy solar cells to charge up their storage batteries, which they're going to use to heat their homes or something of that nature? It's ludicrous. It's damned impossible to operate under that kind of a system.

The same thing is true of solar furnaces and solar panels. Admittedly, there are going to be some experimental projects and some people working in this area but, again, these are the kinds of gimmicks, in terms of energy conservation, that will be meaningless in the total energy picture. We won't even notice the conservation we're going to create out of that. Really, this is for the ones who can afford it. Again, it indicates the direction of this government, that the ones who get any kind of breaks are the people who can afford to experiment with these rather exotic things.

The same applies to windmills and windpower generators. Time-controlled thermostats is a more reasonable suggestion; I would agree that there is a possibility of using that kind of equipment, which could be installed in homes.

Wood-burning stoves and wood-burning furnaces: Again, I'm sure there will be a mad rush to get wood-burning stoves! I can see certain advantages in a wood-burning stove. If you have a hot water system you could hook it up to a wood-burning stove; it might take a lot of do-it-yourself technology to do it but, on the side, you could probably use it as a still or something like that. That would probably be beneficial, although I really can't see it.

There are, shall we say, some firms that are moving into the stove construction business. I think that stoves are being sold these days

for something like $1,000 or more. There's a firm in Guelph that is building them. For $1,000 or less, you can install a very efficient gas or oil furnace in the average home.

Basically, the problem with this sort of approach to energy is that it doesn't do anything in terms of conservation of energy. Secondly, where any kind of tax exemptions are provided, they generally will apply to the people who can well afford to pay their share of taxes as opposed to the rest of us.

The increase in compensation from $500 to $700 for people who collect sales tax is of course not a bad idea, considering the mess, the agony and the problems they went through after the government put it on and then took it off. Giving them $200 to forget about the election activities may not be such a bad little bribe; that may pacify all those people who used to phone their members and ask: "What do we do with the cigarette tax? Do we collect it now? My customers are refusing to pay it. I paid it to the wholesaler but the wholesaler refuses to return it." All that chaos and nonsense developed in the election.

Elsewhere, the bill states: "Where any person, without reasonable excuse, has failed to remit to the Treasurer moneys as required under this section, the minister may apply before a judge of the Supreme Court for an order directing such person to remit the moneys which he has failed to remit."

I see that the minister is going to take a stance, but I question the treatment of these people so gently if they collect the tax and refuse to remit it. I'm not sure what the meaning of the section is. However, my feeling is that if a person collects tax and doesn't remit it, there's cause to have him charged with theft through conversion. Why this kindness? I would have liked to have seen in there something to the effect that perhaps a Minister of Revenue who refuses to collect taxes should be jailed as well. That might not be such a bad idea and it could apply to some of the situations that have gone on in this particular House.

All in all, it is a nothing bill which touches on various things. It naturally has to go into committee; it has to be examined. There have to be some amendments to it, perhaps to provide some direction and some assistance; particularly in the energy field where I feel if we are going to give out any money at least we insist that products for tax exemption should be made in Ontario.

Mr. Acting Speaker: Is there any further discussion? The hon. member for Victoria-Haliburton.

Mr. Eakins: My colleague has stated our position. I just want to make a brief comment in relation to the tourism aspect.

I am rather disappointed that more imagination and initiative has not been shown to support tourism in Ontario. We know that since 1973 tourism in Ontario has been decreasing very sharply. While it has, perhaps, increased from overseas, visitors from the United States have been decreasing very sharply indeed. I feel that we should be doing more to support tourism in Ontario. We can do it at times to help the automobile industry, the write-off of machinery. I think we should be doing more to help tourism in Ontario.

Certainly while the steps you have taken are of some help, I think they are very small. I wish the Minister of Industry and Tourism (Mr. Bennett) had recommended to the Treasurer (Mr. McKeough) for his budget some support for the removal of accommodation tax, especially from the months of, say May until October. Perhaps he did make the recommendation and the Treasurer did not accept it. I feel that certainly stronger support must be given to tourism in Ontario.

Ms. Bryden: This bill was brought in, I think, to provide a few pre-election goodies for the taxpayers and residents of Ontario. When the election was called on April 29, the Minister of Revenue decided that she should issue a statement on the implementation of the 1977 budget. She said, and I quote: "It is particularly important to clarify the government's intentions concerning the tax measures proposed in the budget." If she had clarified the government's intentions or the situation, she should have said that because the government had chosen to call what appears to have been an unnecessary election the entire legislative process connected with the budget had been sabotaged and none of the pre-election goodies were in effect, and the citizens of Ontario would just have to wait for those goodies.

However, this is not what the minister said. She went on to say: "Briefly, we intend to proceed on the practical basis of implementing all the tax proposals with the exception of the increase in tobacco tax and the new environmental tax. These two measures will be re-introduced with new effective dates when the Legislature is next convened."

She went on to say: "This approach means that taxpayers can be reassured that they will enjoy the benefits of increased exemptions and tax cuts affecting energy conservation materials, restaurant meals, entertainment admissions, succession duties and gifts." She also went on to mention that the small busi-

nesses would benefit from the capital tax changes and succession duties.

[5:00]

But I am talking now about the retail sales tax changes. I think this illustrates the contempt of the Legislature by the government. It seems to me very arrogant to assume that this Legislature would adopt all of the budget's tax measures or even that there would be a continuation of the Conservative government. To have announced to people that they could claim all the exemptions and all the tax cuts regardless of whether the law was passed or not, seems to me to be bypassing this Legislature. I think that is something that we should not tolerate.

However, we are now at the stage where we are faced with retroactive legislation. I know this is not unprecedented in budget implementation, but I think it is the first time that I have known the actual tax changes to have been announced to be in effect to the taxpayers before the legislation, with the retroactive clause in it, was passed.

There is another item that I wanted to ask about in connection with this bill. The original Bill 47, presented with the budget on April 19, had a clause in it which indicated that the government was going to repeal a section of The Retail Sales Tax Act which provides for ministerial exemption for Canadian performances from the admissions tax. This clause said that if the minister was satisfied that the performers in a theatrical or musical performance in a place of amusement are "residents of Canada, performing under the management of a person resident in Canada," and that the performance will not be presented with the showing of a motion picture or a carnival or a circus and so on, that, "the minister may, in his or her absolute discretion, exempt the purchaser from the payment and the vendor from the collection of the admissions tax."

I think this was a very desirable clause to have in The Retail Sales Tax Act. It encourages Canadian performances and it encourages producers to hire Canadians when they are producing any kind of a production in Canada of a theatrical or amusement nature. But the original version the Minister of Revenue presented was going to delete this clause.

I guess some of the people who were concerned about Canadian art and culture got to the minister's ear or to the government. At any rate, that particular clause has been dropped from the new version of the bill and I am very glad to see that it has been. I just wonder why it was ever contemplated that it should be abolished in the first place. Perhaps the minister can enlighten us on what was behind the proposal to remove this discretionary ministerial exemption, which I understand in most cases was given fairly freely.

I wanted to comment on the point raised by the member for Sarnia (Mr. Blundy) about a tax on a tax. I am not a lawyer, so I don't know whether it is unconstitutional, but I think it is highly discriminatory to suggest that there would be a tax on the can tax, if there were a can tax. There is no tax on the gasoline tax. There is no tax on the tobacco tax. Those are specifically exempted under The Retail Sales Tax Act, so I don't see why the can tax should be singled out for this special treatment. It would add to the cost that the can tax would add to the cost of bottled drinks.

However, since there is some doubt whether the can tax will ever see the light of day, I don't know that we have to worry about it too much at this stage, although I think we would probably support the amendment to delete that section from the Act.

Those are the three points that I wanted to raise, Mr. Speaker.

Mr. Williams: Mr. Speaker, in listening to the remarks made by the hon. member for Brantford (Mr. Makarchuk) this afternoon, I think the criticisms and objections that he has applied to this bill simply highlight the importance of the two aspects of the bill, the benefits of which he seemed intent on minimizing, ridiculing the intent and purpose of those sections.

In particular, he spent some time in minimizing the effects that would flow from the extension of the exemptions for thermal insulation materials. I find it rather interesting, if not somewhat confusing, to hear those comments made in the House today by a member of the third party in view of the inconsistency which apparently now exists between that stated position and the position taken by what I presume to be the official position of the third party in light of the views that were expressed in committee last year before the Ministry of Energy by a senior member of the third party.

The then member for Windsor-Riverside (Mr. Burr) spoke so enthusiastically about many of the energy conservation measures that his party was committed to. I can recall him speaking at length, at great length, about the advantages to be gained from encouraging the public to experiment with the use of solar panels and to get involved in the use of wind power, either domestically

or commercially; to consider the use of heat pumps as something that had substance and was not to be considered far out and something to be scoffed at. Yet we have that very type of statement and attitude being expressed by a junior member of that party in the House today.

So, I find this to be a great inconsistency which requires some explanation. But bringing that inconsistency to the attention of the House simply points out the importance placed by the Minister of Revenue in granting this exemption to encourage the public at large in Ontario to make extra efforts toward energy conservation. Also, those statements contradict the concerns expressed by our Minister of Energy (Mr. J. A. Taylor) in trying to encourage the public in Ontario to take advantage of some of these new techniques in providing energy and contributing toward energy conservation as it relates to the traditional sources of energy. So, I am somewhat perplexed by that inconsistency, but I felt compelled to point out that inconsistency in this debate today. It seems that one can be inconsistent if it's only for the purpose of bringing a critical and negative comment on legislation being presented in the House.

The other area in which I think there is some inconsistency—and this, I think, would be of great interest to the Ontario Tourist Association and the other tourist associations throughout the province—was to hear again comments made by the member for Brantford as to the insignificance he applied to the proposals being put forward in this legislation. I think he addressed himself simply to the variance in the exemption for meals—the tax on meals from $5 to $6 dollars—without really addressing himself to the more equally important clause (d) which deals with the exemption that would be applied to tax relating to a disposable tangible personal property, which will be a very significant saving to the small and large entrepreneurs in the tourist industry.

In making his remarks, I don't think he really considered the enormous ramifications and benefits that will flow to the tourist industry, perhaps one of the most hard-pressed industries in Ontario today, an industry which like the farming industry, has to concern itself not only with the natural elements but is also facing dire economic times and a very difficult competitive situation as it pertains to our neighbours to the south and in other provinces where it seems that their net charges to the consumer are able to be less because perhaps their operating costs are not as great as they have experienced within Ontario in recent months, and in the past two-year period in particular.

So I think it has not been the most enlightened statement made by the third party with regard to criticism of this bill. I can't see them but surely they should have addressed themselves to more substantive, positive criticism rather than that picayune type of negative response—

Mr. Cassidy: It's a lot more than any the member for Oriole gives the House. The member has never made an enlightened statement in his life.

Mr. Williams: —that again runs against and is inconsistent with more profound statements that have come from that side of the House.

Mr. Acting Speaker: Perhaps the hon. member for Oriole would return to the principle of this particular bill.

Mr. Williams: Mr. Speaker, the reason I highlighted those issues is because I think, as I pointed out at the outset, that in a roundabout way it simply points out the very important features of this bill that the members of the government party, of course, wholeheartedly endorse—

Mr. Lawlor: I just think you are rubbing in a little soft soap, Oriole. Soft soap!

Mr. Williams: —and which I think will go a long way to assist in encouraging the people of Ontario to participate in energy conservation and to assist the hard-pressed tourist industry.

Mr. Roy: I'd just like to make a few comments on some of the matters that have been raised by some of my colleagues, especially the member for Sarnia, about section 1(1) of this bill.

Mr. Speaker, you have been around this Legislature for some time, I have had just a few years here myself, and it wouldn't be the first time that this government has brought in legislation which was questionable on legal grounds or on constitutional grounds. I see the Minister of Revenue, who unfortunately very often is facing attacks and having to bear the brunt of criticism and abuse for something that was thought up by another ministry, basically the Treasury.

I can remember her predecessor, Mr. Meen, going through the speculation tax Act. When the government brought forward what we currently call the speculation tax Act, we had brought to the attention of the minister that it would have been wise to seek a legal opinion or some arrangement with the federal government. The tax that was to be imposed at that time—I think it was at the rate of 50 per cent—on speculative profit, added on to

the federal tax meant you could possibly pay up to 110 per cent tax on the sale of a piece of property.

We asked the minister at that time if he had made arrangements with the federal government. Apparently he had not and, of course, the government had to backtrack.

I thought it was sad that we had spent so much time—I think about a month—debating that famous bill in the House, trying to bring forward amendments, with no sort of flexibility at all emanating from the minister to amend his bill.

I outline this because we are facing a similar situation here, Mr. Speaker. The constitutionality or the legality, as you will, of this particular section is very questionable. If one reviews the BNA Act and the powers given to the various legislatures or bodies of government that are entitled to impose taxation, it is questionable whether this type of tax, as outlined in section 1(1), is in fact legal. And I would say to you, Mr. Speaker—

Mr. Acting Speaker: Order please, I would just draw to the hon. member's attention that perhaps this should be covered in the clause by clause debate in committee, rather than during debate on second reading which is on the principle of the bill. Perhaps the hon. member would return to the principle.

[5:15]

Mr. Roy: With greatest respect—and you know I have all the respect in the world for you, Mr. Speaker, and if I did not feel I was right would not dare challenge your ruling. But the point is simply that this is an important aspect of this bill. Surely when we are discussing a bill as important as this one, one of the things that we can discuss is the legality or the constitutionality of certain sections of the bill. Certainly that is in keeping with the spirit and the principle of the bill. Especially, Mr. Speaker, after I've heard the comments from the member for Oriole, who spent all his time talking about another member and not about the bill at all. I would have thought that my comments were, in fact, certainly discussing the principle of the bill.

But in any event, Mr. Speaker, I can assure you I won't be very long. As you know, my legal arguments are always succinct and to the point and I don't—

Mr. MacDonald: Tra la, tra la.

Mr. Roy: —intend to belabour it at length, because as you can see, as I read from sections 91 and 92 of The BNA Act, it will be very clear to you, Mr. Speaker, that the constitutionality of this particular section of the bill is questionable.

So I come back and just say very simply that under the BNA Act certain powers are given to the federal Parliament and certain powers are given to the provinces and section 91 decides the powers that are given to the federal Parliament.

An hon. member: Is that true?

Mr. Roy: And I must say, Mr. Speaker, not only will this be enlightening to you but even to my colleague from London. I think he will get a lot of merit out of this; he will finally find out what this Act is all about that we have been discussing for so many years, the BNA Act.

So, if I might just outline to you some of the things that are permitted under the BNA Act, subsection 3 of section 91 states that the federal Parliament has the power of "the raising of money by any mode or system of taxation." So the federal Parliament, Mr. Speaker, has wide-ranging scope for raising taxes, whereas the province is limited to raising taxes strictly in a direct fashion.

And as I read section 92, subsection 2, it states that the province has power for "direct taxation within the province in order to the raising of a revenue for provincial purposes." In other words, it has to be a direct tax.

This is where the problem comes in in this particular section: There is a form of taxation imposed by another Act, The Environmental Tax Act, a particular Act which will be imposing, I think, five cents per can as a form of taxation. And this bill comes along, Mr. Speaker, and imposes a further tax on that tax. And I am saying—

Mr. MacDonald: How direct can you get?

Mr. Roy: Yes, well, I don't think the courts have interpreted that as being all that direct; it is not direct like buying a loaf of bread and paying seven cents on the price of that loaf. Here we have one tax brought in and another tax over and above the original tax. I say, Mr. Speaker, that that form of taxation is questionable.

The point I want to make on the principle of the bill, and to the minister, is simply this: Has the minister received legal opinion from the law officers of the Crown stating that that form of taxation is within the jurisdiction of the province? It seems to me that that should be one of the essential things that the ministry should have done prior to proceeding with this type of taxation. I would like to have the comments of the minister as to whether that legal opinion has been obtained.

And I say that with a certain amount of reservation because the legal opinions of the officers of the Crown are not 100 per cent either. We've seen in the past where they've, as you know, Mr. Speaker, the Supreme Court of Canada—

Mr. Eakins: Hospitals.

Mr. Roy: Well, my colleague mentions the question of hospitals. The legal opinion of the law officers of the Crown on that occasion was lost nine-zip as we called it in the Supreme Court of Canada.

So, even having said that and having certain question marks about, let's say, the effectiveness or the—I don't want to criticize the law officers of the Crown, they are all well-meaning people. It's just that the Attorney General (Mr. McMurtry) sometimes, like all of us humans, has certain failings and on that occasion, of course, he had some problems.

So, I bring this to your attention, Mr. Speaker, and to that of the minister, asking her to advise the House whether in fact she has received legal opinion that this type of taxation was constitutional. And, of course, Mr. Speaker, we as the official opposition always strive to bring forward legislation which is in the best interest of the province. We are taking our role seriously. It wouldn't be the first bill, Mr. Speaker, that this party has had to pick up, put together—

Mr. Cassidy: Yes, Mr. Speaker, the Liberal Party never takes its role in legislation seriously.

Mr. Roy: —amend and do things like this.

Interjection.

Mr. Roy: You see that? I woke him up. I finally woke up the member for Ottawa Centre. The truth really gets him riled.

Mr. Cassidy: I have never seen the member for Ottawa East take constructive interest in legislation.

Mr. Roy: He figures that because he's sitting there behind a whole stack of books, he knows what he's talking about. And unfortunately that is not the case.

Mr. Acting Speaker: Perhaps the hon. member will return to the principle of the bill.

Mr. Roy: Yes, Mr. Speaker, I was talking about the great merits of the people in the official opposition. I wish I wouldn't always be cut off by members of the third party, even though that particular member does have leadership aspirations.

Mr. MacDonald: You cut yourself off more often than anyone else.

Mr. Roy: So, Mr. Speaker, having made these comments and having—

Mr. Cassidy: Me? You are not able to carry through on a train of thought.

Mr. Roy: No not at all.

Mr. MacDonald: You finished a long time ago—

Mr. Roy: See, he won't listen either. You're not running for the leadership again are you? No; okay, because I'm supporting the member for Ottawa Centre, I want to tell you that.

Mr. MacDonald: Back to the principle of the bill.

Mr. Acting Speaker: Order please.

Mr. Roy: Mr. Speaker, having made these comments, I would hope that the minister would enlighten us—

Mr. MacDonald: You have said that five times already.

Mr. Roy: —and tell us on what basis she feels that this type of legislation is constitutional. Thank you Mr. Speaker.

Mr. MacDonald: Mr. Speaker, I would just like to make some comments on one section of the bill—the extension of the exemptions to deal with energy conservation measures. I'm sorry—no, he's still there; I was going to say that the hon. member for Oriole (Mr. Williams) had left, because it's just possible that I can rescue him from some of the calculated obfuscation and confusion on the issue that he introduced—

Mr. Williams: I stayed, the member for Brantford (Mr. Makarchuk) left.

Mr. MacDonald: —when he was referring to the remarks of my colleague from Brantford. We have been trying for years, not just the former member for Windsor-Riverside (Mr. Burr), to waken this government to some realization of energy conservation that might be realized through solar energy and things of that nature. We're glad that the government has finally caught on.

But the point that was being made by my colleague from Brantford is that solar cells and heat pumps are a very small aspect of what the great range of citizens in the province of Ontario are going to be able to engage in. Only those who happen to be in a very high income bracket and have combined with that an interest in experimentation are going to be able to reap the benefits of this legislation.

However, I'm not going to pursue that give and take, which is a bit off the principle of the bill, Mr. Speaker. I want to focus on the main area where there can be some really effective contribution to energy conservation, and that is in the extension of the exemption for thermal materials, insulation materials. What is disturbing me is the reply we got from the minister the other day when we asked clarification on how Ontario's program might fit in with the program that had been enunciated in Ottawa.

I agree that if we are going to effect any significant amount of energy conservation tax incentives are one of the gimmicks, the carrots, if you will, that will persuade citizens to take the initiative which they themselves are going to reap the benefit from in terms of lower energy bills a year or two or three from now. The problem is that we have both governments having belatedly awakened to this situation and both of them moving in a somewhat uncoordinated way. When we asked the Minister of Energy what meshing there was between the federal program and the provincial, or to what extent the federal program might be applied in the province of Ontario, or to what extent there might be a supplement by the initiatives of this government, he pointed out that three of the four stipulations that have been spelled out by the federal government had already been met or could be met, and on the fourth one there were some difficulties.

What I would like to see on the part of this government or on the part of this minister, is that if we really want to make this effective, we want to encourage as many citizens on their own initiative, because of the tax incentive, to move towards the insulation of their homes, I suggest to you that the possibility, for example, of a federal program that is going to start with homes that were older than 1921 and then gradually move up through the decades to 1977 is a pretty slow approach to energy conservation.

Surely the time has come, if the minister wants this section of her bill to be really effective in terms of energy conservation, for this government to take the initiative in seeking to sit down with the people in Ottawa and perhaps get some amendments to the proposals that they have made so that there can be a much wider acceptance of Ottawa's proposals here in Ontario. Then when we find out to what extent we can get a liberalizing of their program so that it can be more widely accepted in Ontario, we should consider the supplementation that is involved here in tax exemptions and other supplements, so that we can really get an effective energy conservation program.

In short, Mr. Speaker, to sum it up, what I'm saying is that the confusion, the lack of adequate co-ordination of the federal and provincial programs, is going to create a very serious inhibition in the use of this tax exemption and therefore in any really effective, or as effective as possible, energy conservation.

Energy conservation has now become motherhood, everybody's in favour of it. But let's see if we can't get the other actions that are required to make this particular section of the Act before the House at the moment a really effective implement for energy conservation.

Mr. Acting Speaker: The hon. member for Ottawa East? Centre.

Mr. Cassidy: Centre. He's east, I'm centre and he's west, Mr. Speaker.

I have two or three comments. First, to pick up on the comments raised by the member for York South (Mr. MacDonald), and perhaps in response as well to the member for Oriole (Mr. Williams), I would point out that as recently as during the period of the election campaign and the budget debate, this party had been very actively advocating energy saving grants and energy saving loans. In the budget debate, we recommended that in addition to anything that was recommended in the budget in terms of the tax exemptions which are here in this bill, that there be direct grants of as much as $500 in southern Ontario and $750 in the eastern and northern parts of the province in order to help and encourage people to provide for better insulation in their homes and also to provide a major means of job creation in the province. I, for one, regret the fact that this was not adopted by the provincial government.

During the course of the election campaign, Stephen Lewis, on behalf of the New Democratic Party, recommended that we do three or four things in the field of energy, specifically, using the $200 million-odd which Ontario Hydro was being given permission to invest in further energy generating projects. We recommended during the campaign that $100 million be put into home insulation, that money be used for the pilot production of methanol, that money be used for the installation of solar heating units with a major grant that would be sufficient to make that particular new form of heating much more atrractive than is being done with the sales tax remission which is provided for in this particular bill. We also recommended that money be used to generate electricity from wastes, which are now simply dumped in our countryside.

The point about this, Mr. Speaker, is we've had promises from the Minister of Energy during the course of the campaign, and I know the Minister of Revenue will be able to comment about those particular promises insofar as they relate to this particular bill. We've had promises from the federal Minister of Energy as well, with a number of conditions for action by the provincial government. We have this particular bill and no other action, however, on the part of the province of Ontario.

It seems to me it's time more was done. It seems to me that it's time that Ontario put its

money where its mouth is in terms of much more vigorous and active encouragement of conservation than is provided in simply saving people $25 or $50 on a solar heating system, a wood stove or other kinds of energy-saving devices.

Mr. Speaker, I wanted to raise three or four other points but I'll do so fairly briefly. One is that I have to confess to having rather a finical view about the reduction of amusement tax which is provided for in the bill. The bill provides that amusements below $3 will no longer be subject to the amusement tax, where previously the limit was 75 cents.

My observation was that in the week or two after the budget, when my kids went up to the cinema, that for that brief period of time the cost of their admission to the cinema was dropped by 10 cents or so, reflecting the fact that the movie theatres were no longer being charged this particular tax. Right after that though, in fact even before the time that we actually entered into the election campaign, the price for admission to cinemas somehow crept back up to the level that it was at before. In other words, there was no permanent benefit of any sort for the consumer insofar as cinema admissions were concerned. That's a major area where tax was previously levied and where it became exempt as a result of these particular amendments announced in the budget.

[5:30]

I asked the minister yesterday if she would table a compendium of information related to this particular bill. Her reply was that she had sent a consolidation of The Sales Tax Act to the critic, the member for Brantford—and, I presume, the Liberal critic for revenue matters—and that for the rest, the compendium was in the budget itself. However, in the budget all that we have on this amusement tax is the Treasurer's proposal for the exemptions from sales tax on admission to amusements, and his estimate that the tax saving to consumers will be, "around $10 million in 1977-1978. This measure will simplify the procedures involved in administering the tax and it will also provide relief to many thousands of charitable and non-profit organizations in Ontario and assist the promotion of public events such as agricultural fairs and exhibits, in museums and art galleries."

I think the Treasurer's statement was, at best, misleading. That is one reason I regret that no information of the type requested has so far been tabled. I hope the minister will talk about that during the course of second reading debate and will produce the material by the time we go into committee stage on the various clauses of this bill.

Any organization which knew the ropes and knew how to make an application to the minister 10 days or so before their event took place was eligible for the exemption from the sales tax if they were carrying on the event for charitable or non-profit purposes Those powers existed in the Act, and therefore the exemption that the minister talks about is not really very valuable to them. I grant the measure will probably simplify the procedures involved in administering this tax. You will agree, though, Mr. Speaker, that that's true of any remission of tax, any lifting of exemptions. If we entirely eliminated the income tax for the province of Ontario, I think you would agree that the procedures for collecting income tax in Ontario would be greatly simplified.

The estimate of $10 million of tax-saving to consumers should be defended. I believe the working papers that allowed that estimate to be created should be tabled in the House. It's my contention that $10 million is not a remission that consumers are benefiting from but that it is a handout to the amusement industry, which I'm afraid is largely foreign-dominated. The cinema proprietors, Famous Players, other owners of cinema chains and people like that, these are major beneficiaries of this particular tax remission.

The speed with which those tickets went back up in price to the former level was unprecedented. If the government wanted to take some constructive measures, it could well have taken that amount of money—if that amount of money was available—and poured it into encouraging the creation of jobs in Canada by such things as support for an Ontario film industry and to encourage various international film producers to locate more of their film-making in this province rather than doing it in Tahiti or in Tehran or in Trenton, New Jersey, rather than in Toronto. But they didn't take that approach; they gave out a handout which was ostensibly for consumers, but which I'm afraid is winding up in the hands of the companies.

I want to turn to one other point, Mr. Speaker, the small retailers. They are being given an increase from $500 to $700 in the amounts they're being allowed for the collection of the retail sales tax. It's clear that as far as the Treasury of the province is concerned, election time is the time when retailers get some attention. It's one of the few things that's ever done for small business. It's noteworthy that in 1975, just before the 1975 election, there was also an increase in the amount paid to retailers for collecting this

particular tax. I suppose that if a majority government had been elected we wouldn't have had this particular change as early as we do. Many of the retailers I've talked to were absolutely up to their necks with the amount of disruption which was created for them because of the "on again", "off again" nature of certain taxes that was created because of the budget and the subsequent calling of the election by the Conservatives. This was mainly because they had to relabel their tobacco stocks three times, due to the up and down nature of that tax. However, the $500 or $700 that they receive is in effect a payment, not just for collecting the retail sales tax but also for collecting the tobacco tax, and I suppose also for collecting the environmental tax on cans if that tax ever comes to be passed.

I think that more consideration should be given to the fact that small retailers are still essentially unpaid tax collectors on behalf of the government. The $700 they are paid right now in many cases doesn't come anywhere near remunerating them for the cost of additional labour that they have to hire in order to cope with all of the complexities of tax collection on behalf of the government.

I want to say a word as well about that particular change, the change in the amusement tax exemption and the change in the exemption on meals. I relate this to the official opposition party and its policy that no tax increase should exceed eight per cent because that's the AIB guideline.

They are not so consistent when it comes to tax decreases or to changes in tax exemptions. When there was a 20 per cent increase on the exemption in succession duty, the Liberal Party didn't object. When there is a proposed 20 per cent remission in the exemption level on prepared meals, the Liberal Party doesn't object. When there is a 300 per cent increase in the exemption level on the amusement tax, the Liberal Party doesn't object.

Frankly, I think that's a hypocritical attitude on their part, because when we have asked them, "Where are you going to get the money that you are not collecting by limiting certain tax increases to eight per cent?" they have failed to come up with an answer. They are quite prepared to say, "We will get it from cutting out government fat," or that kind of thing.

When it comes to giving taxes away, on the other hand, the Liberal Party has no regard for the fiscal probity of the province. They are quite prepared to give money away in tax exemptions and tax reductions without saying where that money is going to come from. I would say this is an irresponsible attitude, because on the one hand they won't say where they will get the money that they forgo, and on the other hand they are prepared to go along with every tax cut which has been proposed by the government.

Mr. Acting Speaker: Order, please. Will the hon. member return to the principle of this bill instead of discussing party philosophy?

Mr. Cassidy: On the specific matter of the increase in the exemption level for prepared meals, Mr. Speaker, I would suggest that to be consistent the Liberal Party should propose that that exemption level go up by only eight per cent; that is to $5.40 or perhaps, to stretch things, to $5.50. I think that is perhaps a touchstone of their credibility and of their sincerity in proposing this eight per cent guideline, because if it is going to work on things going up, it should also work on things going down. We have yet to see that kind of consistency on behalf of the Liberal Party.

Mr. Grossman: Right on.

Mr. Cassidy: What's that?

Mr. Grossman: We agree with you.

Mr. Cassidy: You agree? Okay. Make a speech.

The final point I want to raise is that the sections which relate to amusements seem to have left out one particular group who I think have raised some fairly legitimate kinds of objections and complaints. As I understand it, the government's remission power previously extended to sales tax collections which were remitted or waived for semi-amateur hockey clubs when their ticket prices happened to exceed the level at which sales tax was being required.

These clubs are caught right now because, as I understand it from talking with several of them, during the course of the season—with the new proposals that are here—they won't have to pay tax, They charge a couple of dollars, maybe $2.50, for admission to their games. That is enough money to pay for the coach and to pay a certain minimum amount of subsistence to the players in certain cases and to pay for the cost of buses, transportation and equipment.

The one time that any of these teams has a chance of making its budget balance—and they are not essentially profit-making operations, apart from the teams that are owned by the member for Ottawa South—the one chance that these teams have of making ends meet is during such events as the Memorial Cup playoffs and the playoffs in their particular league. At that time the

fans are all hotted up. In certain cases they can charge $3.50, $4 or even $5 for tickets but suddenly, whammo, they become liable to tax at the behest of the minister.

As I read these sections of the particular bill there is a general exemption power related to special circumstances exempting purchasers from having to pay a tax but no general exemption power on a vendor from having to collect a tax. That is not corrected through the amendments which are before us today. I hope the minister would talk about that, and could indicate that something was done for that particular group, given the fact that the ballet, musical events, plays, theatre and other live entertainment are eligible for exemptions, whether essentially for a non-profit purpose, but sporting events do not appear to be included unless they are included as live entertainment.

I don't subscribe to the idea—although I know the professional leagues do—that these things are entertainment. I see them as recreation, and I think there should be some changes in the bill in order to take account of that particular point.

Mr. Speaker, we have already indicated that we will support the bill. We regret in particular the fact that more is not being done by the government, and being done with a real sense of urgency, with regard to the need to take vigorous leadership in the area of promoting energy saving and energy conservation.

Mr. Peterson: I must say that listening to this whole process, through all these bills that we've been passing, has been very enlightening as to NDP economic philosophy. It seems to be the most coagulated mess that I have ever run into in my entire life, Mr. Speaker.

I just want to say this, which is commensurate with our particular view, that the government is taking more than its fair share of take-out from the economy. I want to direct my remarks specifically to one iniquitous section that we do not like.

My colleague from Sarnia has already served notice that we are going to move the deletion of this section. But in effect what happens here is that we are imposing a new tax—the so-called environmental tax, and what that tax has to do with the environment, I will never understand—nevertheless, on top of this five cent tax on every seven-cent item, and a can costs roughly seven cents, there would be five cents on top of that. What disturbs me in this particular case is that another seven per cent is going to go on top of that. What in effect we have here is a surtax. We have a tax upon a tax on a very low-cost item. We are going to project it, with a compilation of taxes, into a very high-cost item. I will have a great deal more to say on this whole matter later, particularly on the environmental tax, but I just want to speak now on how the retail sales tax relates to that.

What disturbs me is this tax on a tax. It is sneaking through in an iniquitous and circuitous sort of way another $2 million or $3 million worth of retail sales tax revenue on top of the already projected some $25 million worth of revenue. On top of that, what with adding all of these taxes together, it is making the retail margin of roughly 20 to 25 per cent, depending on the retailer, that much higher a base to work from; and it is probably going to cost industry another $6 million to $7 million when all of them are added together.

It is our view that the environmental tax, so-called, is bad, and we will be voting against that. But in addition to that, it is particularly iniquitous to put the retail sales tax on top of this environmental tax. We think it is a bad precedent. We think it is a bad way to go about running the finances of this province. That is why we stand very firm against that. I just wanted to be on record, lest anyone be deceived, that the government's intention is to have a tax on a tax, and to sneak through another $2-million worth of revenue because of another tax that they are proposing at roughly the same time.

I would like to say one more time that I think the government House leader miscalled the order on these bills. We should have discussed the environmental tax before we discussed this, because it has such a deep bearing on it. Depending on what happens here and what happens with our friends down there and who supports our particular amendment, we will have to come back and clean it up. We recognize also that section 9(5), according to our advice from the legislative counsel, does not have to be amended or deleted. But we do recognize that that section speaks to subsection 1 of section 1. I guess it just dies on the piece of paper. We'll take advice from legislative counsel on that, but it does relate to the section that we are going to move to be deleted.

[5:45]

Mr. Acting Speaker: Is there any further discussion on second reading? The hon. minister.

Hon. Mrs. Scrivener: Mr. Speaker, I want to thank the members for their comments and for their contributions in second reading on this bill. There is a great variety of viewpoints I find and a great many epithets to describe the various contents of the bill.

I was pleased to learn from the member for Sarnia that the opposition party intends to support the bill but will bring in an amendment. We can come to that later when the bill is in committee.

The member for Brantford referred to the bill as a grab-bag. I thought his remarks were rather surprising. His ridicule in his remarks on energy conservation was unbecoming considering the policy of his own party and the remarks of other members of his party which followed him.

I got the impression that if something was not within the experience of the member for Brantford then it couldn't be any good. He ridiculed woodburning stoves and I doubt if he realizes just how many people there are in this province who have woodburning stoves or want to acquire them. He had a lot of hard things to say about solar energy, a heating mode of the future. He had other remarks of that nature to make which I thought were rather unbecoming, all things considered.

He made some remarks about the changes in exemption for meals. He apparently did not realize that this exemption increase was in part a response to the restaurant industry. They consider that this would be a most important increase to them and would be of great assistance to them in maintaining their competitiveness. I think it most certainly should cover, too, not only people who are travelling but the many people who have to have meals when they're on the road, such as truckers and so on, and who require good meals that are inexpensive.

The member for Beaches-Woodbine wanted to describe some parts of the bill as containing pre-election goodies. She forgets that most of the pieces that were contained in the bill were already contained in the budget. The budget, of course, is a most important statement of how this government is going to exercise and complete its policy as set out in the Speech from the Throne.

These are not pre-election goodies and never were—not by any stretch of the imagination.

Mr. Cassidy: That was before the election, wasn't it?

Hon. Mrs. Scrivener: Briefly, the reason for the remarks in my tax bulletin which was issued to the retailers was that we wanted to reassure them that we intended to proceed on the practical basis of implementing our proposals as contained in the budget. There was no contempt expressed at all; I deny that categorically. But there was most certainly an appreciation for the feelings of people, the desire to remove confusion and uncertainty.

My reason for issuing that bulletin was to provide a reassurance of our intent. The retroactivity was applied to the introduction of the budget and was to be maintained and still is being maintained.

As to the Canadian content involved with our exemptions on amusement, that has not changed and never has changed. I think the member for Beaches-Woodbine is reading something in that does not belong in this kind of debate. It is a fact that we decided to make some certain changes in the bill. It seemed to me that these provided some confusion and so we have simply reverted to the original procedures, that's all. The Canadian content has never been changed and has applied continuously.

Ms. Bryden: It was proposed to be changed.

Hon. Mrs. Scrivener: The member for Ottawa East and others have expressed concern with what they consider to be a tax on tax. This is commonly referred to as tax pyramiding, and it is prevalent in all tax systems. It is a very common approach. It is an entirely legal procedure, I assure you. It is prevalent in all tax systems in Ontario.

The retail sales tax applies on final prices which include costs of all stages of production, and, also, are included in such costs as the many taxes levied by the federal, provincial and municipal governments, as for instance would be the federal and provincial corporations taxes, federal excise and manufacturer's tax, federal property tax, gas and diesel taxes.

As to the constitutionality of this provision, the constitutional limits to provincial taxing power is in terms of raising only direct taxes. I am sure the members must know that. That is, when I say direct taxes I mean those taxes which are levied directly on, say income, like corporation or personal income tax, or transactions as at final or retail levels. So provincially there is no limit to piling a tax on tax. Only the federal government may tax both indirectly and directly, we do not have that right.

As to legal opinion; yes, we did obtain legal opinion from the Attorney General's department, and this procedure and the way we have prepared this bill is entirely in order.

Interjection.

Mr. Acting Speaker: Order. Perhaps the hon. minister would continue.

Hon. Mr. Welch: Members can't speak more than once on second reading.

Mr. Stokes: Interjections are out of order.

Hon. Mrs. Scrivener: The member for Ottawa Centre stressed NDP policies which we have heard in recent weeks concerning energy conservation and outlined them in some small detail. I would point out to him that the exemptions we provide are very real and positive steps in our desire to encourage energy conservation measures. I think they are steps that are important and most definitely do assist people to achieve their ends and to undertake the expenditures that are required. This applies, of course, to new homes as well as the older homes.

Mr. Cassidy: It is a start, we grant you that. But what else are you doing?

Hon. Mrs. Scrivener: Certainly, and I think he should allow that. Re the matter of a compendium which he raises: I believe he knows, as do others here, that there was an agreement between House leaders that the budget would be the compendium; that is the compendium and it is very fully prepared.

Re compensation to retailers: the member raised this whole matter, he was concerned about compensation on inventory for tobacco tax. The tobacco tax has a separate set of commissions, that is separate from retail sales tax. The wholesalers get four per cent of remittances, the same as for retail sales tax, and the wholesalers also get five per cent of the inventory tax. This time the tobacco retailers, while they don't ordinarily get such commissions on inventories, did most certainly get five per cent on their inventory tax collections. So his remarks and his concerns in this particular instance, while maybe fairly raised, are not correct.

Mr. Acting Speaker: The motion is for second reading of Bill 12. Shall the motion carry?

Motion agreed to.

Ordered for committee of the whole House.

LAND TRANSFER TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved second reading of Bill 13, An Act to amend The Land Transfer Tax Act, 1974.

Hon. Mrs. Scrivener: As you are aware, Mr. Speaker, since 1974 this government has imposed a special tax on land acquisitions by non-residents in Canada. The purpose of this tax has been and continues to be twofold: first, to ensure the preservation of the rightful heritage of all citizens of Ontario in terms of land ownership; and, second, to discourage foreign speculation in Ontario real estate.

This tax policy has been successful. However, in line with changing economic circumstances, the bill proposes to amend The Land Transfer Tax Act by providing additional focus for the policy.

First, the bill continues to provide restrictions on the acquisition by non-residents of Canada of recreational and agricultural land —land that is not unrestricted. Such acquisitions will continue to be subject to the special 20 per cent rate of tax.

Secondly, the amendments will clearly indicate that non-resident investment in commercial, industrial or residential property, particularly apartments, continues to be welcome in Ontario. Acquisition of these types of properties will be exempt from the special rate of tax automatically. They will, of course, be subject to the regular rate of tax.

These changes will ensure the preservation of the heritage of all people in terms of land ownership while at the same time encouraging needed investment in Ontario which will produce both jobs and housing.

Mr. Blundy: The Liberal Party on many occasions in the past, before I was here as one of its members, has been talking about the need for changes in this Act so that land would be more readily available for development, particularly for apartment dwellings and so forth.

Mr. Peterson: Takes them a while to see the light.

Mr. Blundy: I am very pleased to see that the government has finally decided that this was indeed a very worthwhile thing to do for the people of Ontario and has included this amendment to The Land Transfer Tax Act.

Non-residents who acquire lands for recreational purposes and so forth will continue to pay the tax at the higher rate, which of course is in keeping with what we have been advocating for some time. We want our farm and recreational lands, particularly our lands around our lakes and rivers, to be principally for—and, hopefully, held for—the people of Ontario for their use, and not for those people from out of the country.

We certainly support the changes in the numbers in the bill. The lessening of the percentages and so forth is, I think, very worthwhile. As far as we are concerned, we support the changes that are laid out in this bill.

The House recessed at 6 p.m.

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